

GLOBAL NETWORK OF EXIM BANKS AND  
DEVELOPMENT FINANCE INSTITUTIONS

CREATING A COMMON AGENDA

Palais des Nations, Geneva, March 13, 2006

**MINUTES OF THE MEETING**

The inaugural meeting of the Global Network of Export-Import Banks and Development Finance Institutions (G-NEXID) took place in the premises of the United Nations in Geneva, on Monday 13 March, 2006. Annex I contains a list of the participants in this meeting.

**1. Opening statement and keynote speech**

The meeting was opened by Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD. In his statement (see Annex II), he welcomed the initiative to create G-NEXID, and underlined how this new network would serve to strengthen the emerging new geography of trade, in which South-South trade and investment flows grow much more rapidly than the traditional South-North flows. He expressed the hope that this multilateral forum will unlock the full potential of cooperation among the South's financial institutions, and emphasized that UNCTAD stands ready to extend its support.

Mr. Panitchpakdi opening statement was followed by a keynote speech from Mr. Srinivasan Sridhar, Executive Director of the Exim Bank of India. He highlighted the continuing fast growth of developing countries GDP, which is progressing with consistent increasing shares in the world trade – share of developing countries in global merchandise trade increased from 28% in 1990 to 37% in 2004; in services, from 19% to 25%. At the same time, South-South investments have been increasing fast, and in 2004, developing countries were responsible for over US\$ 1 trillion of outward investments.

Mr. Sridhar noted that trade is increasingly investment-driven, and there is a strong positive correlation between the two; and both are contributing to development and welfare. A common alliance amongst institutions engaged in trade and investment finance can enhance this process. There are natural synergies among Eximbanks and between Eximbanks and DFIs, and an institutional mechanism that leverages such synergies will help them address the challenges linked to nurturing and sustaining competitiveness. G-NEXID is an important initiative in this direction.

Mr. Sridhar recalled the history of G-NEXID, with a first meeting taking place in parallel to the UNCTAD XI conference in Brazil in June 2004, and second meeting hosted by UNCTAD in Geneva in March 2005 which led to the signature of a MoU for the establishment of G-NEXID. With the agreement to officially launch G-NEXID at this present meeting, the subsequent step is to set the framework for a common agenda. The purpose of G-NEXID is to enhance members' capacity to contribute to public policy formulation, facilitate business strategy development, promote financial cooperation among members, develop common approaches to international developments such as Basel II, and in general, enable greater trade and investment flows among member countries. An annual

meeting at the CEO level would be complemented by workshops and seminars, staff and information exchanges, and web-enabled services. G-NEXID could become a core partner in globalisation. G-NEXID would also complement rather than duplicate existing multilateral, regional, sub-regional and national institutions.

## **2. Election of the chairman of the meeting**

After the opening statement and keynote speech, the meeting was opened for deliberations. Mr. Lamou Ruten of UNCTAD was elected to chair the meeting and conduct the proceedings.

## **3. Statements by participants**

A number of participants made statements on the current operations of their organizations, and how G-NEXID could enhance their performance and that of the international financing system; and in this light, they expressed what were their expectations of G-NEXID.

The PTA Bank delegate noted that he was full of expectations for G-NEXID. There are large business opportunities in South-South investments and trade, and the Network would promote enterprises' efforts to realize such opportunities. Co-financing and risk sharing among Eximbanks and DFIs would help deals, while cooperation and information sharing would help change the perception of risks as now pertains to African business opportunities.

The representative of Afreximbank, speaking on the behalf of his President who was unfortunately unable to obtain a visa in time, stressed the importance of the G-NEXID initiative, and informed participants that Afreximbank was fully committed to participate in the initiative. While there was scope for fruitful cooperation in a wide range of areas, in the short term, the greatest benefits could be derived from the establishment of a common institutional platform for promoting and financing trade; and from the strengthening of the capacity to formulate and implement trade development strategies. Afreximbank is for example expanding its database on commodities of trade interest to Africa, and will share this with the Network members; it also is ready to share its experience in the organization of specialized seminars and workshops. Through the African Bankers Association, Afreximbank can also mobilize local banks to support cross-border trade and project deals.

The representative of the ECOWAS bank also expressed his support to G-NEXID. Massive investments in infrastructure were planned in his region, and there were already considerable imports from other developing countries. Through the Network, the full potential for South-South trade and investments can be exploited. The representative of BFPME Tunisia, stressed that SMEs will be also among the major beneficiaries of closer cooperation among Eximbanks and DFIs.

Other participants agreed that G-NEXID could bring many benefits from mutual technical assistance, to exchange of experience, co-lending, capacity-building, co-shareholding, new product development, investment support, risk analysis and due diligence, bilateral credit lines, and one-on-one technical support among members.

## **4. Discussion and adoption of the statutes**

The meeting reviewed and discussed the draft statutes article by article. A number of relatively small changes and wording were suggested. The meeting concurs on having G-

NEXID registered in Geneva. They put emphasis on the importance of Geneva being the principal forum of world negotiation, and a natural home to intense diplomatic and networking activity, due to the numerous International Organizations and NGOs located in this city.

Also, the meeting agreed on the size of the steering committee and some other details that had been left open for discussion in the draft. Subject to these changes being incorporated, the meeting adopted the G-NEXID statutes.

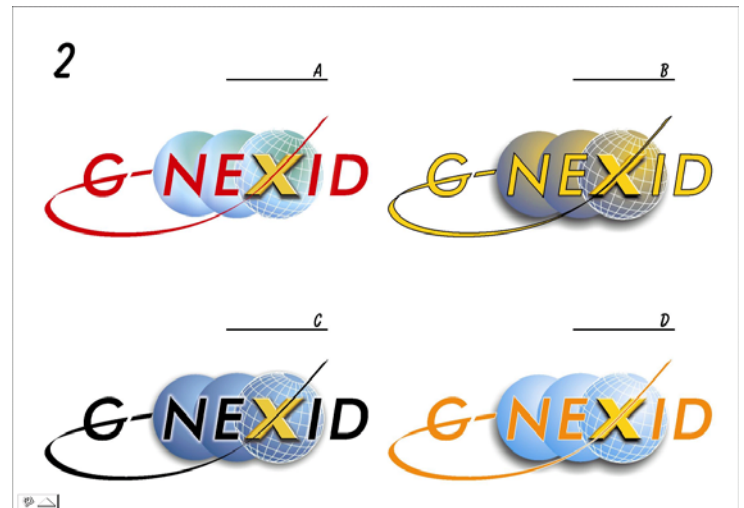
## **5. Selection of the G-NEXID logo**

The meeting considered a number of possible logos designed by Diego Oyarzun of the UNCTAD secretariat. While participants were pleased with the overall design of the logo, opinions were divided on the optimal colour scheme. After some discussion, a consensus emerged that a combination of the darker letter colours of design A with the darker globe of design B or D may give the best result.

## **6. Election of G-NEXID office bearers**

Constituted as the General Assembly of G-NEXID, the Eximbanks and DFIs elected, in the meeting, the following office bearers:

- as President: Mr. T.C. Venkat Subramanian, of the Exim Bank of India
- as Secretary: Mr. Michael Gondwe, of the PTA Bank
- as Treasurer: Mr. Iulian Velicu, of the Eximbank of Romania.



## **7. Formation of the steering committee, and discussion of its work programme**

In earlier discussions on the statutes, the meeting had agreed that there shall be nine steering committee members. This number could be reduced in the future, but in the current inception phase it is important to have a strong steering committee with the capacity to drive forward the development of G-NEXID. In addition to the three office bearers, who are ex officio members of the steering committee, the meeting accepted the following three candidates as members of the steering committee:

- Mr. Mohammed B. Mai-Bornu, Nigerian Export-Import Bank
- Mr. Thierno Bocar Tall, Ecowas Bank for Investment and Development, Togo
- Mr. Abdessalem Mansour, Banque de Financement des Petites et Moyennes Entreprises (BFPME), Tunisia.

Participants agreed that the three further members of the steering committee will be drawn from institutions that were not present in this meeting.

At the current stage, the focus of the steering committee should be on making G-NEXID operational. In addition to leading the membership drive, the steering committee should, in

this light, focus on a limited number of areas where concrete, visible outcomes are likely. While details are to be elaborated by the steering committee, the meeting suggested the following four priority areas:

- 1) Better defining how G-NEXID can contribute to enhancing South-South trade. In this respect, before the next General Assembly meeting, in 2007, the secretariat (to be created) of G-NEXID should do a fact-finding exercise on current initiatives in this area. It should then report to the General Assembly how G-NEXID can build and complement these efforts. The steering committee should guide this effort.
- 2) Defining a work programme with respect to small and medium enterprises (SMEs). The Secretariat should make an inventory of what the various Eximbanks and DFIs are doing on SME development, and identify areas where an exchange of experience can be useful; it should identify best practices and collate case studies on successful SME development experiences – and record as well the failures from which one can learn; and, under the guidance of the steering committee, the secretariat should then organize a workshop on these issues. All this should be reflected in another proposal to the next General Assembly meeting, which would discuss what G-NEXID can do in this area, including in supporting the building and linking of national databases of SME suppliers and potential joint venture partners.
- 3) Elaborating a training programme and developing and implementing training programmes. The steering committee should first agree on priority training areas, and then agree in reasonable detail what should be the content of each specific training programme. After this, a lead agency can volunteer to actually organize each of such programmes, tapping into the skills and experiences available in the member organizations as well as other institutions.
- 4) Develop a work programme with respect to commodity finance. With the nature of commodity trade changing – in particular, through the organization of supply chains, and the fast growth of trade in non-traditional commodities – there is scope for a greater role of Eximbanks and DFIs to support such trade. There are successful models in this regard, and, under the guidance of the steering committee and in cooperation with UNCTAD, the G-NEXID secretariat can do an inventory of possible action areas and make proposals on further work in this area to the next General Assembly meeting.

A G-NEXID website can provide the underpinning for much of the work to be done over the coming year. Indian Eximbank is, in principle, willing to develop and host such a website, although it was too early to commit to the timing of such work.

## 8. **Closing**

The meeting concluded at 17.15 p.m., after which group photographs were taken.

## ANNEX I

### List of Participants

Global Network of Exim Banks  
and Development Finance Institutions (G-NEXID)  
Geneva, 13 March 2006 – Room XXV, 10:00  
Palais des Nations

1. **Export-Import Bank of India**  
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5. **Nigerian Export-Import Bank – Nigeria**  
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6. **African Export Import Bank – Egypt**  
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7. **Eximbank of Romania**  
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**List of Participants (cont.)**

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Represented by:

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**9. Ms. Monika Suhajdova**

Intern

**10. Development Bank of Zambia – Zambia**

**Ms. Rose G. K. M. Phiri**

Acting Managing Director

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**11. Eastern and Southern African Trade and Development Bank (PTA Bank) – Kenya**

**Mr. Michael Gondwe**

President

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**12. PTA Bank – Kenya**

**Mr. Alex Gitari**

Finance Director

Assistant:☺

[Caroline.Abwoga@ptabank.org](mailto:Caroline.Abwoga@ptabank.org)

**13. Ecowas Bank for Investment and Development – Togo**

**Mr. Thierno Bocar Tall**

Directeur des Etudes

et de la planification stratégique

en charge du **NEPAD** et de la coopération

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**14. Banque de Financement des Petites et Moyennes Entreprises (BFPME) – Tunis**

**Mr. Khalil Ammar**

Deputy General Manager

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**List of Participants (cont.)**  
**United Nations Conference on Trade and Development**  
**UNCTAD**

- 15. Mr. Supachai Panitchpakdi**  
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- 16. Mrs. Lakshmi Puri**  
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## ANNEX II

### GLOBAL NETWORK OF EXIM BANKS AND DEVELOPMENT FINANCE INSTITUTIONS

#### CREATING A COMMON AGENDA

Palais des Nations, Geneva, March 13, 2006

#### **Opening Statement**

**Supachai Panitchpakdi**

**Secretary-General of UNCTAD**

Mr Chairman,  
Ladies and Gentlemen,

I wish to welcome the representatives of Export-Import Banks and Development Finance Institutions (DFIs) to Geneva and this meeting in particular, which is taking place in the context of the new global network, G-NEXID. This is an exciting new initiative, which UNCTAD is pleased and willing to support.

In the last two decades, South-South trade has grown dramatically – for most of the time, faster than world trade. At the same time, South-South investment flows have also increased rapidly and now account for more than one-third of the total investment flows to developing countries. These are impressive and encouraging developments. Even more impressive, however, is the fact that these growth trends took place despite the weak financial support system for South-South trade and investment flows. Many countries in the developing world suffer from a serious gap in the financing of commodity trade and investments. Without such facilities, it is hard to imagine how countries could develop their enterprise sector or benefit from the full potential of the international market place. UNCTAD has for more than a quarter of a century supported innovative thinking on ways to remedy these weaknesses. It is heart-warming, therefore, to see such a gathering, which is aimed at formalizing cooperation among financial intermediaries from developing countries. We believe that the establishment of your network is timely and essential for promoting bilateral and multilateral agreements. No doubt that it will also act as a vector for further development of South-South economic interrelations.

Mr Chairman,

The failure of the international community to create new and viable financial institutions or mechanism for supporting South-South trade has induced many governments from developing countries to rely on their own efforts. Indeed, since 1990, the number of non-OECD export credit agencies that provide trade finance for exporters has tripled. The roles and responsibilities of these agencies have also evolved. Indeed, UNCTAD has been advocating the establishment of such institutions for many years. We will continue to do so and we stand ready to assist the development of new export credit agencies as well as the strengthening of existing ones. We hope that the G-NEXID will act as a catalyst in this process.

The role and functions of Eximbanks and DFIs are likely to be affected by two other recent developments: the New Basel 2 Capital Accord, which will be implemented from 2007 onward, and the growing sophistication of the capital market. Basel 2 will make bank lending for “risky” borrowers much more expensive, which means bad news to South-South finance in particular; but at the same time, it carves out a special place for Export Credit Agencies. In contrast, however, the strengthening of the capital market could enable developing countries to avoid some of the negative effects of Basel 2. UNCTAD’s analytical work on these issues should help decision-makers such as yourselves to develop pro-active policies and practices that can safeguard commodity and trade financing activities.

Finding ways to strengthen South-South financing can be a win-win game, reducing the costs of trade, enhancing South-South investments, and bringing attractive returns to those providing the finance. Working together through a Network such as yours could help realize these benefits. You can learn from each other, on ways to enter into new markets, mechanisms to finance non-traditional goods and services, or new financing mechanisms that allow you to better align risks and returns. Networking will also enable you to enhance bilateral interactions and find new risk-sharing methods for investments. Some of you have already done much on a bilateral basis, but we hope that this multilateral forum will unlock the full potential of cooperation among the South’s financial institutions. UNCTAD stands ready to extend its support.

I wish you all the best in your deliberations and thank you for giving me this opportunity to address you.