



GLOBAL NETWORK OF EXIM BANKS & DEVELOPMENT FINANCE INSTITUTIONS

**FOURTH ANNUAL MEETING
&
SEMINAR ON**

**GLOBAL FINANCIAL CRISIS : SIGNIFICANCE OF
SOUTH-SOUTH TRADE FINANCE AND COOPERATION**

MAY 4-5, 2009

**Palais Des Nations
Geneva, Switzerland
Room IV**

MINUTES OF THE FOURTH ANNUAL MEETING AND THE SEMINAR

BACKGROUND

1. The Fourth Annual Meeting of the General Assembly of Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was held on Tuesday, May 5, 2009, in Room IV of UNCTAD Premises in Geneva, Switzerland. Coinciding with the Annual Meeting, a Technical Seminar on 'Global Financial Crisis : Significance of South-South Trade Finance and Cooperation' was organized on Monday, May 4, 2009, at the same venue. A copy each of the Agenda for the Annual Meeting and the Technical Seminar are at Annexures 1 and 2. Many G-NEXID member institutions, as also representatives of UNCTAD, International Trade Centre (ITC), Geneva and other global organizations participated in the above events. Lists of participants in the Annual Meeting and the Technical Seminar are at Annexures 3 and 4.

2. The Fourth Annual Meeting, held on Tuesday, May 5, 2009, was opened by Mr. Petko Draganov, Deputy Secretary General, UNCTAD. Mr. T.C. Venkat Subramanian, Honorary President, G-NEXID and Chairman & Managing Director, Export-Import Bank of India, delivered the welcome address. In view of completion of term of Mr. Venkat Subramanian as Honorary President, election was held to the post and Mr. Jean-Louis Ekra, President & Chairman of the Board of African Export-Import Bank, was unanimously elected as the new Honorary President of G-NEXID. Consequential vacancies on the Steering Committee were also filled up by election. The newly elected Honorary President, Mr. Jean-Louis Ekra, assumed charge and addressed the G-NEXID members. A report on the activities of G-NEXID during 2008 was presented by Dr. Michael Gondwe, President and Chief Executive Officer of PTA Bank and a Steering Committee Member of G-NEXID. A presentation on the G-NEXID accounts, including auditors report, as at December 31, 2008 and the Budget for 2009, was made by Mr. Sriram Subramaniam, G-NEXID Coordinator in Geneva. The General Assembly approved the Accounts, the Budget and the Auditors Report. Detailed discussions on the future activities of G-NEXID were, thereafter, held among the members of the Network.

3. At the Technical Seminar, held on Monday, May 4, 2009, Mr. T.C. Venkat Subramanian, Honorary President, G-NEXID and Chairman and Managing Director, Exim Bank of India, delivered the welcome address. Since Mrs. Lakshmi Puri, Director, Division of International Trade in Goods and Services and Commodities, UNCTAD, could not be personally present, Mr. Bonapas Onguglo, Chief, DITC, UNCTAD, made a presentation on her behalf. Other speakers at the Seminar were Mr. Ujal Singh Bhatia, Ambassador and Permanent Representative of India, Permanent Mission of India to the WTO, Geneva, Mr. Lars Thunell, Chief Executive Officer, International Finance Corporation (IFC), Washington D.C., Mrs. Aicha Pouye, Director, DBIS, International Trade Centre (ITC), Mr. Victor Ognitsev, Officer-in-Charge, Trade Analysis Branch, UNCTAD, Mr. Emmanuel Ole Naiko, Vice-President of WAIPA and Executive Director of the Tanzania Investment Centre, Mr. Martin Khor, Executive Director, South Centre, Geneva, and Mr. Eric Chataigne from Intrasoft International, representing the International Network for SMEs (INSME). As part of its efforts to work closely with multilateral financial institutions, G-NEXID signed a Memorandum of Cooperation (MOC)

with IFC. The MOC was signed by G-NEXID and IFC in the presence of Mr. Supachai Panitchpakdi, Secretary General, UNCTAD.

OFFICIAL OPENING OF THE FOURTH ANNUAL MEETING

4. The Fourth Annual Meeting of the General Assembly of G-NEXID was opened by Mr. Petko Draganov, Deputy Secretary General, UNCTAD. In his opening address, he noted that G-NEXID has evolved and grown into an increasingly global player and has proved to be a powerful tool in terms of enhancing cooperation and strengthening South-South financing and investment. He mentioned that the important role of South-South cooperation was reconfirmed by the UNCTAD XII Conference in Accra, Ghana and added that in the context of the global financial crisis, the alliance among institutions engaged in trade and investment finance is of essence, especially for the South. He referred to the Multi-year Expert Meeting organized by UNCTAD in February 2009 and noted that the meeting recognized the relevance of G-NEXID and emphasized its potential role in helping the South cope as well as stimulate global recovery. He highlighted that drawing on the diversified experiences of its members, G-NEXID is well positioned to propose practical solutions, including in terms of enhancing access to credit and reducing the costs of trade amongst developing nations, spurring investment across borders, making finance more readily available to new and innovative businesses and enabling the growth of 'niche' markets. A copy of the opening address of Mr. Petko Draganov is at Annexure 5.

5. In his welcome remarks, the Honorary President of G-NEXID, Mr. T.C. Venkat Subramanian, Chairman and Managing Director of Exim Bank of India, traced the progress of G-NEXID since its launch in March 2006. He mentioned that while, for the South-South Financial Institutions, G-NEXID is a dream come true, for UNCTAD, it is a mission accomplished. He highlighted that in a span of two years, 24 institutions from the continents of Asia, Africa, Europe, Latin America and the Caribbean, have become members of G-NEXID. Interactions amongst members have been continuously increasing, through programmes participated by members, as also through an interactive website and a quarterly Newsletter launched by G-NEXID. Many members have forged business cooperation alliances amongst themselves, through Lines of Credit, joint financing of projects, Memoranda of Cooperation and experience sharing initiatives. He

pointed out that G-NEXID has been gaining increasing global visibility. Organizations like Berne Union, International Network for SMEs (INSME) and SADC-DFI Network, have evinced interest in the activities of G-NEXID. At the request of INSME, G-NEXID has become its Honorary Member. He mentioned that as suggested by G-NEXID members at the Third Annual Meeting held in April 2008, the Network has commenced interactions with Multilateral Financial Institutions. In the Seminar on SME Financing held in Tunis, Tunisia, in January 2009, African Development Bank addressed the members of G-NEXID. Interactions between G-NEXID and IFC have culminated in the signing of the MOC between the two organizations. The MOC will help G-NEXID members to explore the possibilities of tapping benefits under IFC's programmes. Mr. Venkat Subramanian mentioned that at the end of his tenure as Honorary President of G-NEXID, he felt happy and satisfied that the initiatives in the last three years constituted the right beginning to launch G-NEXID on its intended course. He expressed the hope that the Network would grow much larger in years to come and help the members realize, in full, the objective of setting up this unique organization. A copy of the address of Mr. Venkat Subramanian is at Annexure 6.

ELECTION OF OFFICE BEARERS OF G-NEXID

6. In view of completion of term of Mr. T.C. Venkat Subramanian as Honorary President, election was held to the post. A Resolution for the election of Mr. Jean-Louis Ekra, President and Chairman of the Board of African Export-Import Bank, for the post of Honorary President, was moved by Mr. Venkat Subramanian and seconded by Dr. Michael Gondwe, President, PTA Bank. The Resolution was unanimously approved by the General Assembly.

7. Consequent upon the election of Mr. Jean-Louis Ekra as the Honorary President, the post of Honorary Secretary fell vacant. A Resolution for the election of Mr. Mykola Udovychenko, Deputy Chairman of the Board, JSC "The State Export-Import Bank of Ukraine", for the post of Honorary Secretary, was moved by Dr. Michael Gondwe, President, PTA Bank and seconded by Mr. German Jaramillo, Director for Europe, Andean Development Corporation. The Resolution was unanimously approved by the General Assembly.

8. Consequent upon the election of Mr. Mykola Udovychenko, who was a Steering Committee Member, as the Honorary Secretary, a post in the Steering Committee fell vacant. A Resolution for the election of Export-Import Bank of India as a Steering Committee Member, was moved by Mr. Jean-Louis Ekra, Honorary President, and seconded by Mr. German Jaramillo, Director for Europe, Andean Development Corporation. The Resolution was unanimously approved by the General Assembly. (Export-Import Bank of India has, since, advised the name of Mr. N. Shankar, Executive Director, as its nominee on the Steering Committee).

9. The General Assembly noted that consequent upon Mr. Abdessalem Mansour, former President and CEO of BFPME, Tunisia, becoming the Minister for Agriculture in the Government of Tunisia, his successor, Mr. Khalil Ammar, President and CEO of BFPME, Tunisia, has become a Member on the Steering Committee. The General Assembly also noted that consequent upon the retirement of Mr. Iulian Velicu, Vice President, Eximbank Romania S.A., who was the Honorary Treasurer of G-NEXID, his successor Ms. Luminita Manolache, Vice President, Eximbank Romania S.A., has assumed charge as the Honorary Treasurer.

10. The General Assembly noted that consequent upon the above changes, members of the re-constituted Steering Committee are as under :

- Honorary President : Mr. Jean-Louis Ekra
- Honorary Secretary : Mr. Mykola Udovychenko
- Honorary Treasurer : Ms. Luminita Manolache

Honorary Members

- Dr. Michael Gondwe
- Mr. Khalil Ammar
- Mr. N. Shankar
- Mr. Thierno Bocar Tall
- Mr. German Jaramillo
- Mr. O. Chukwurah

The New Steering Committee assumed charge with immediate effect. Mr. T.C. Venkat Subramanian handed over charge and the documents of G-NEXID to the new Honorary President, Mr. Jean-Louis Ekra.

ACCEPTANCE SPEECH OF THE HONORARY PRESIDENT

11. Mr. Jean-Louis Ekra, the newly elected Honorary President of G-NEXID, delivered his acceptance speech to the General Assembly. He conveyed his deepest gratitude to the members for the confidence placed in him and electing him as the Honorary President. He conveyed his appreciation to the outgoing President, Mr. Venkat Subramanian and the Members of the Steering Committee, who championed the growth of G-NEXID since its launch. He proposed that Mr. Venkat Subramanian should continue to guide G-NEXID in the capacity of Honorary Advisor and his proposal was unanimously approved by the General Assembly. Mr. Ekra listed the immediate priorities for G-NEXID as under:

- To intensify membership mobilization efforts with a view to achieving global reach and presence of the Network.
- To deepen cooperation among member institutions through networking, attachments and exchange of information on best practices.
- To expand activity under G-NEXID's technical capacity development programme by striving to organize at least two training workshops (if not one every quarter) in a year; and
- To create an internet-based platform for the sharing of risk and credit information.

A copy of the acceptance speech of Mr. Jean-Louis Ekra, Honorary President, is at Annexure 7.

REPORT ON 2008 G-NEXID ACTIVITIES

12. Dr. Michael Gondwe, President, PTA Bank and a G-NEXID Steering Committee Member, made a presentation to the General Assembly on the activities of G-NEXID during 2008. He furnished a detailed account of the events held during 2008, in which

the G-NEXID members participated. The events included the UNCTAD XII Ministerial Conference held in Accra, Ghana, during April 20-25, 2008, a Seminar on 'Trade and Investment Potential in West Africa', organized by Exim Bank of India in Dakar, Senegal, on February 5, 2008, a programme on Development Banking, held in Madrid, Spain, during April 14-18, 2008, the meeting of the G-NEXID Steering Committee held in Mumbai, India, in July 2008, the 14th Meeting of the Advisory Group on Trade Finance and Export Development in Africa, held in Kampala, Uganda on October 31, 2008, organized by Afreximbank, as part of the Shareholders meeting of the Bank and the 2008 World Export Development Forum organized by ITC in Montreux, Switzerland during October 8 –11, 2008. Dr. Gondwe also made a mention of a Seminar on SME Financing held in Tunis, Tunisia, in January 2009 organized by BFPME, Tunisia in collaboration with G-NEXID Secretariat and UNCTAD. Dr. Gondwe pointed out that the above events gave an opportunity to G-NEXID Members to enhance business interactions amongst themselves and plan business cooperation initiatives. Dr. Gondwe also gave details of how G-NEXID has been gaining increasing global visibility and has been having interactions with various organizations like Berne Union, SADC-DFI Network and INSME. He mentioned that discussions between G-NEXID and IFC have culminated in signing of the MOC between the two organizations. He expressed the hope that the various initiatives launched by the Network are expected to help the Forum devise ways to enhance bilateral and multilateral trade and investment cooperation among members. He called upon the members to get actively involved in the future programmes and extend full support to G-NEXID in its objective of promoting South-South trade and investment. A copy of the presentation made by Dr. Michael Gondwe is at Annexure 8.

PRESENTATION OF G-NEXID ACCOUNTS, AUDITORS REPORT AND BUDGET FOR 2009

13. The G-NEXID Coordinator, Mr. Sriram Subramaniam, presented the G-NEXID accounts for 2008 and budget for 2009. He mentioned that G-NEXID has its bank account with UBS Bank in Geneva and the bank statements are regularly received and tallied every month by the G-NEXID Secretariat. Monthly statement of accounts is submitted regularly to the Honorary President and Honorary Treasurer and quarterly statement of accounts is submitted to all the Steering Committee Members. He also

mentioned that budget for the year, January-December 2008, was approved for a total amount of CHF 46,050 and the actual expenditure for the year was within the approved budget. He further submitted that the Steering Committee has approved a total budget of CHF 44,650 for 2009. The statement of accounts for the year 2008 and the budget for 2009 were submitted to the General Assembly.

14. Mr. Sriram Subramaniam further mentioned that at the Third Annual Meeting held in April 2008, the General Assembly had authorized the Steering Committee to identify a firm of auditors for auditing the accounts of G-NEXID. Accordingly, the Steering Committee Members approved the appointment of M/s. Berney & Associates S.A., as the Auditors of G-NEXID. M/s. Berney & Associates have furnished the Audit Report as at 31st December, 2008, which was submitted to the General Assembly, along with the statement of accounts for 2008. The General Assembly noted that the audit firm has also initiated the process of obtaining Tax Exemption Status Certificate for G-NEXID.

15. A Resolution for approval of G-NEXID Accounts for 2008, modifications in the bank account operating instructions consequent upon change in office bearers, to be conveyed to UBS Bank, Budget for 2009 and Adoption of the Audit Report, was moved by Mr. Victor J. Nemebelessini-Silué, President Directeur Général, Banque Nationale d'Investissement, Côte D'Ivoire, and seconded by Mr. German Jaramillo, Director for Europe, Andean Development Corporation. The General Assembly unanimously approved the Resolution. A copy of the presentation made by the G-NEXID Coordinator on G-NEXID accounts, budget and the Auditors Report, is at Annexure 9.

DISCUSSIONS AMONG MEMBERS

16. In the discussions that followed on the future activities of G-NEXID, the following points emerged:

- Members evinced interest in the Global Trade Liquidity Program of IFC and discussed, in detail, the possibilities of G-NEXID members tapping benefits under the programme. In this context, it was mentioned by Exim Bank of India that the institution has entered into a cooperative alliance with IFC and that IFC is keen to

receive suggestions from G-NEXID members for expanding its reach to the member institutions of G-NEXID.

- In the context of the MOC entered into between G-NEXID and IFC, it was suggested that similar Memorandum of Cooperation may be explored with European Bank for Reconstruction and Development, Inter American Development Bank, Islamic Development Bank, etc. As regards the MOC with IFC, it was suggested that G-NEXID should work out steps for operationalising the MOC. A copy of the MOC is at Annexure 10.
- It was noted that G-NEXID Secretariat in Geneva has, so far, been manned by Exim Bank of India through one of its officers. In the context of the present G-NEXID Coordinator repatriating to India by end June 2009, members felt that an alternative arrangement for manning the Secretariat should be worked out soon. In this regard, it was agreed that a marginal increase in membership fees may be considered and a concrete proposal in this regard will be worked out for approval.
- In the context of the proposals outlined by Mr. Ekra, it was agreed that the Network will be further strengthened with the addition of more member institutions. Interactive programmes and experience sharing initiatives will be enhanced and the website and Newsletter will be used by Members more effectively. Members recognized that in the context of current global financial crisis, implications of which were discussed on May 4, 2009, business cooperation among members has become imperative and it was agreed that more opportunities for joint financing of South-South Trade and Investment will be identified under the umbrella of G-NEXID, which has provided an ideal platform for such collaborative efforts.
- Arising from the suggestions made by the Exim Bank of Ukraine in the Third Annual Meeting, it was decided to organize a Seminar on Environmental issues.

17. In sum, members recognized the potential of G-NEXID as a global forum, with particular significance to the South-South economies and pledged their support to make it stronger and still more vibrant in years to come.

18. The Honorary President, in his concluding remarks, thanked all the member institutions, as also UNCTAD and ITC for their enthusiastic, interactive participation and

valuable inputs and suggestions. He mentioned that G-NEXID will continue to count on their support and guidance for its future activities. He, thereafter, declared the Fourth Annual Meeting as closed.

TECHNICAL SEMINAR ON 'GLOBAL FINANCIAL CRISIS : SIGNIFICANCE OF SOUTH-SOUTH TRADE FINANCE AND COOPERATION'

19. A Technical Seminar on 'Global Financial Crisis: Significance of South-South Trade Finance and Cooperation', was organized on Monday, May 4, 2009, on the eve of the Annual Meeting. The Seminar had been organized in the context of the current global financial crisis and its impact on the South-South economies. The objective of the Seminar was that the members of G-NEXID would interact with experts from different global organizations like UNCTAD, WTO, IFC, WAIPA, ITC, etc., on the implications of the crisis on the South-South economies and would also interact amongst themselves on the role of trade finance and other cooperative initiatives in mitigating the impact of the crisis. Accordingly, experts from UNCTAD, IFC and other global organizations had been invited to address the members of G-NEXID.

20. The Seminar was presided over by the Honorary President, G-NEXID. In his welcome remarks, the Honorary President dealt, in detail, with the developments that led to the global financial crisis and the impact thereof on South-South trade and investment. He cited specific examples to illustrate the implications of the crisis, in terms of slow down in demand, impact on global commodity markets, that on cross border capital flows and remittances of non-resident population and the volatility expected in the pattern of institutional lending, FDI, etc., He pointed out that it is critical for the South-South economies to address the crisis as a common challenge and for this, they need to step up consultation and cooperation among themselves to keep up the momentum in international trade, which could retrieve the world economy from the recessionary situation. He highlighted the relevance of G-NEXID in serving this objective and urged the members to use the Seminar for devising appropriate strategies collectively in order to position G-NEXID as an institution for catalyzing cooperation in several areas, including trade finance and trade facilitation. A copy of the address by the Honorary President is at Annexure 11.

21. Mr. Bonapas Onguglo, Chief, DITC, UNCTAD, in his address, outlined the ramifications of the impact of the crisis on developing countries. In particular, he made a mention of the reduction in the contribution of developing countries to international trade, loss of income, loss of employment and, on the whole, reversal of earlier advantages in the last few years. He highlighted the proposals of UNCTAD for tackling the crisis. In that context, he mentioned that one of the key elements of the overall strategy for mitigating the impact of the crisis is the enhancement and easy accessibility of trade finance. He expressed the hope that G-NEXID members would interact on the various aspects of trade financing and work out concrete strategies for the Network to pursue in future. Mr. Ujal Singh Bhatia, Ambassador and Permanent Representative of India, Permanent Mission of India to the WTO, in his address, pointed out that dedicated financial arrangements will have to be created to meet the requirements of South-South trade and investment. In this connection, he referred to the agreement entered into among the Asian countries in Jakarta recently, on the Chiang Mai Initiative and mentioned that it provides a new template for cooperative arrangements among developing countries for reducing costs of capital and for facilitating capital flows and trade among themselves. A copy of the address of Mr. Ujal Singh Bhatia is at Annexure 12.

22. Mr. Victor Ognivtsev, Officer-in-Charge, Trade Analysis Branch, UNCTAD, made a presentation on the report by the UNCTAD Secretariat on the implications of global economic crisis for trade and investment. In his presentation, he pointed out that as a result of the economic crisis, merchandise trade flows are falling and the commodities trade has moved from boom to bust, signaling need for new strategies. He also discussed the effect of the crisis on services and foreign direct investment. He gave details of policy responses, keeping international trade and investment flowing and a resultant rethinking of development strategies. A copy of the presentation by Mr. Victor Ognivtsev is at Annexure 13. Mr. Emmanuel Ole Naiko, Vice-President of WAIPA and Executive Director of the Tanzania Investment Centre, made a presentation on what WAIPA and its members are doing in the light of the global financial crisis. He made a reference to a Conference on 'Foreign Direct Investment : New Scenario and Challenges', organized by WAIPA in Brazil, in December, 2008 and a workshop organized in collaboration with UNCTAD, in Tanzania, in April 2009, on 'Promoting and Retaining Investment in the times of Economic Crisis'. He gave specific illustrations of

actions taken by Tanzania Investment Centre, Kenya Investment Authority and Namibia Investment Authority. He mentioned that WAIPA has advised its members to review their strategies for promoting investment and look for emerging markets as a dependable source for investment. A copy of the address of Mr. Emmanuel Ole Naiko is at Annexure 14.

23. Mr. Martin Khor, Executive Director, South Centre, Geneva, in his address, mentioned that the crisis provides an opportunity to address the deficits and imbalances in the governance of global finance and economic issues. He pointed out that the United Nations used to play a central role in Policy formulation and in reaching and implementing agreements. However, in recent years, too much faith and power was given to the markets and to international financial institutions, which has supported the drive towards 'marketisation' and 'financialisation'. At the national level, in developed countries in the center of the storm, the pendulum has swung, with the leadership and interventionist role of the State being emphasized. The international counterpart of this national-level development should be the strengthening of the role of the United Nations, including its General Assembly and its economic arms. He reiterated that greater authority provided to a strengthened and more effective UN should be a crucial element of the new global economic architecture. A copy of the address of Mr. Martin Khor is at Annexure 15. Mr. Eric Chataigné, from Intrasoft International, presented the details of outcomes of Medibtikar, a European Commission funded programme, fostering innovation in the Mediterranean region. One particular outcome of the programme regarding financing of SME projects is the interest partnerships with organizations supporting SMEs in their development can have for banks. A copy of the statement of Mr. Eric Chataigné is at Annexure 16.

24. Mr. Lars Thunell, Chief Executive Officer, International Finance Corporation (IFC), in his address, mentioned that the current situation in international trade requires a greater level of cooperation between market participants in these extraordinary times. He highlighted that partnership is essential and hence, IFC is pleased to work with G-NEXID to support businesses in emerging markets and serve the longer term goal of promoting trade between emerging markets through targeted financing programmes. A reference was made to the launch of the Global Trade Liquidity Programme of IFC, a coordinated global initiative that brings together governments, development finance

institutions and private sector banks to support trade in developing markets to address the shortage of trade finance resulting from the global financial crisis. Mrs. Aicha Pouye, Director, DBIS, ITC, addressed the G-NEXID members on ITC's response to the financial and economic crisis. She highlighted that ITC has developed a strategy bringing short and medium term solutions aiming at improving access by SMEs to affordable finance, particularly in the context of the current financial crisis. She expressed the hope that measures initiated by ITC would help SMEs in developing countries and transition economies to better equip themselves to go through the financial crisis and recover from it, while retaining their competitiveness and positioning on global markets. A copy of the address by Mrs. Aicha Pouye is at Annexure 17.

25. The Seminar and the interactions that followed among the G-NEXID members were useful for the Members to work out strategies for adoption by G-NEXID in future, for the benefit of member institutions and for trade at large, in the South-South economies. In particular, the Seminar reiterated the importance of trade finance as a key tool for tackling crisis situations faced by global trade and investment, with particular reference to South-South economies.
