



**GLOBAL NETWORK OF EXIMBANKS & DEVELOPMENT FINANCE INSTITUTIONS
THIRD ANNUAL MEETING
April 9, 2008
Palais Des Nations
Geneva – Switzerland
ROOM IX**

MINUTES OF THE THIRD ANNUAL MEETING

BACKGROUND

1. The Third annual Meeting of the General Assembly of the Global Network of Exim Banks and Development Finance Institutions (G-NEXID) was held on Wednesday, April 9, 2008, in Room IX of UNCTAD Premises in Geneva. A copy of the Agenda for the meeting is at Annexure 1. Twelve Member institutions, as also representatives of UNCTAD and International Trade Centre (ITC), Geneva, participated in the Meeting. A list of participants at the Meeting is at Annexure 2. Coinciding with the Annual Meeting, a Seminar on 'SMEs: The Driving Force of the Global Economy' was organized on Tuesday, April 8, 2008, in the same premises. Expert Speakers from UNCTAD, UNIDO and ITC made technical, thematic presentations at the Seminar. Programme schedule of the Seminar is at Annexure 3.

OFFICIAL OPENING OF THE THIRD ANNUAL MEETING

2. The Third Annual Meeting of the General Assembly of G-NEXID was opened by Ms. Lakshmi Puri, Acting Deputy Secretary General and Director, Division on

International Trade in Goods and Services, UNCTAD. In her opening address, Ms. Lakshmi Puri observed that a new geography is emerging in the global place and newer and stronger relationships are being forged amongst the south-South financial institutions. She highlighted the emergence of South-South and transition economies, which are increasingly playing a key role in the global economy. She mentioned that much of these developments are market driven, which will lead to new institutional innovations in the developing world. She pointed out that South-South trade has shown a spectacular, dynamic expansion in the last decade, with an increase from US \$ 577 billion in 1995 to over US \$ 2 trillion in 2006. She mentioned that UNCTAD sees the emergence of the new South as a great opportunity for cooperation and joint actions for sustained growth for developing countries. She added that UNCTAD is particularly happy to see the progress made by G-NEXID during 2007, with many new members, representing different continents, joining the Network. She indicated that South-South trade and the new partnerships under the umbrella of G-NEXID will be a key theme at the UNCTAD XII, scheduled to be held in Accra, Ghana, during April 21-25, 2008. A copy of the opening address of Ms. Lakshmi Puri is at Annexure 4.

3. In his welcome remarks, Mr. T.C. Venkat Subramanian, Chairman & Managing Director, Export-Import Bank of India and Honorary President, G-NEXID, thanked UNCTAD for its continued support to G-NEXID, which has helped the Forum to achieve whatever it has, so far. He expressed satisfaction about the growth and progress of G-NEXID during 2007. He outlined the activities of G-NEXID in the last one year, in terms of launching of a vibrant website, a quarterly Newsletter as an interactive medium for the members and the various programmes organized by UNCTAD, ITC and Afreximbank on themes of relevance to G-NEXID members, which were participated by many of the members. He mentioned that G-NEXID has been attracting the attention of some of the global and regional organizations, including BERNE Union, who have evinced interest in cooperating with G-NEXID. He underscored the increasing significance of South-South trade and investment flows and pointed out that developing countries constitute the most dynamic region in global production and trade. He mentioned that developing countries registered a growth of 9.2% in exports during 2007, as compared to 5.4% by developed countries. He also pointed out that rise of FDI from developing and transition economies and the growth of South-South FDI are important, emerging trends. In the context of these emerging trends, he expressed confidence that G-NEXID will become a

Forum to channelise these business movements and will facilitate sharing of experience and expertise leading to further enhancement of South-South trade and investment. A copy of the address by Mr. Venkat Subramanian is at Annexure 5. Dr. Michael Gondwe, President, PTA Bank, and Honorary Secretary, G-NEXID, expressed happiness that G-NEXID has grown substantially, both in stature and size, since its formation two years ago. He expressed confidence that G-NEXID will become increasingly visible at the global level, with the number of members, currently at 23, increasing further, giving the Forum the muscle to deal with global development agenda. He mentioned that G-NEXID, which is a partnership of global development finance institutions, is a panacea for many of the challenges faced by member institutions, both at the institutional and country levels. He highlighted the strong relationship enjoyed by PTA Bank with other South-South financial institutions and expressed his hope that G-NEXID will help institutions in the region forge stronger business relationships in the years to come. A copy of Dr. Michael Gondwe's address is at Annexure 6.

PRESENTATION OF G-NEXID ACCOUNTS AND BUDGET FOR 2008

4. Mr. Thierno Bocar Tall, Director of Research & Strategic Planning, ECOWAS Bank for Investment & Development and G-NEXID Steering Committee Member, presented the G-NEXID Accounts for 2007 and Budget for 2008. He mentioned that the annual membership fees, including renewal fees, as and when due, have been received from all members. As regards the bank account of G-NEXID with UBS Bank in Geneva, he indicated that 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 Treasurer and quarterly statement of accounts is submitted to all the Steering Committee Members. Since G-NEXID commenced its operations only in 2007, the first Budget was approved for the half-year July-December, 2007. Actual expenditure for July-December, 2007 was within the approved Budget. Budget for 2008 (January-December) has been proposed at CHF 46050, comprising capital expenditure of CHF 800 and revenue expenditure of CHF 45250. Besides administrative expenses, provision has been made in the Budget for conducting programmes of interest and relevance for members. Mr. Tall mentioned that taking into account the balance in the

bank account and expected inflows by way of membership fees, the resources position of G-NEXID can be considered satisfactory. He also mentioned that since year 2008 is the full year of operations of G-NEXID, it is proposed to commence audit of G-NEXID accounts from the year 2008 onwards. He requested the General Assembly to authorize the Steering Committee to identify a firm of Auditors, in consultation with UNCTAD. A copy of the presentation of Mr. Thierno Bocar Tall is at Annexure 7.

5. A Resolution for approval of G-NEXID accounts for 2007 and Budget for 2008 was moved by Mr. Jean-Louis Ekra, President, Afreximbank and seconded by Mr. Abdessalem Mansour, Chairman and CEO, BFPME, Tunisia. The General Assembly unanimously approved the Resolution. Members thanked Export-Import Bank of India for its support to G-NEXID in the formative years of the Network by deputing one of its officers as G-NEXID Coordinator.

6. A Resolution for authorizing the Steering Committee to identify a firm of Auditors, in consultation with UNCTAD, was moved by Mr. Jean-Louis Ekra, President, Afreximbank and seconded by Mr. Abdessalem Mansour, Chairman and CEO, BFPME, Tunisia. The General Assembly unanimously approved the Resolution.

REPORT ON 2007 G-NEXID ACTIVITIES

7. Mr. Sriram Subramaniam, G-NEXID Coordinator, presented the report on 2007 activities of G-NEXID. In his presentation, he made a mention of the setting up of the office of G-NEXID in Geneva and the process of mobilisation of members. He outlined the details of the Second Annual Meeting held in Geneva, in March 2007. He drew the attention of the members to the quarterly Newsletter launched by G-NEXID, covering major events, news from members, business cooperation initiatives and a focus theme of interest. He listed the various programmes and activities in 2007, in which, some of the members of G-NEXID participated. He mentioned that details of these programmes have been covered in the Newsletters for the benefit of all members. He also made a mention of the bilateral cooperation initiatives amongst members and projected the way ahead for the Forum. A copy of the presentation of Mr. Sriram Subramaniam is at Annexure 8.

ELECTION OF OFFICE BEARERS OF G-NEXID

8. Current President and Steering Committee Members of G-NEXID were elected at the First Annual Meeting held in March , 2006. In terms of the By-Laws of G-NEXID, the President and the Steering Committee Members shall hold office for a period of two years and shall be eligible for reelection, for a period not exceeding two years. Accordingly, elections were due at the Third Annual Meeting for the post of President and the Steering Committee Members.

9. A Resolution for the reelection of Mr. T.C. Venkat Subramanian, Chairman & Managing Director, Export-Import Bank of India, for the post of Honorary President, was moved by Dr. Michael Gondwe, President, PTA Bank and seconded by Mr. Jean-Louis Ekra, President, Afreximbank. The Resolution was unanimously approved by the General Assembly.

10. A Resolution for the election of Mr. Jean-Louis Ekra, President, Afreximbank, for the post of Honorary Secretary, was moved by Dr. Michael Gondwe, President, PTA Bank and seconded by Mr. T.C. Venkat Subramanian, Chairman & Managing Director, Export-Import Bank of India. The Resolution was unanimously approved by the General Assembly. The General Assembly recorded its appreciation for the outstanding contribution made by Dr. Michael Gondwe as Honorary Secretary, during 2006-08.

11. A Resolution for the reelection of Mr. Iulian Velicu, Vice President, Exim Bank of Romania, for the post of Honorary Treasurer, was moved by Mr. T.C. Venkat Subramanian, Chairman & Managing Director, Export-Import Bank of India and seconded by Mr. Jean-Louis Ekra, President, Afreximbank. The Resolution was unanimously approved by the General Assembly.

12. The General Assembly, thereafter, unanimously approved Resolutions for election of Steering Committee Members, as under :

- i) Mr. Abdessalem Mansour, Chairman and CEO, BFPME, Tunisia, for reelection as Member
- Proposed by : Mr. T.C. Venkat Subramanian, Export-Import Bank of India.
- Seconded by : Mr. Jean-Louis Ekra, Afreximbank.
- ii) Mr.Thierno Bocar Tall, Director of Research & Strategic Planning, ECOWAS Bank for Investment & Development, for reelection as Member
- Proposed by : Mr. T.C. Venkat Subramanian, Export-Import Bank of India.
- Seconded by : Mr. Similo Sibisi, Industrial Development Corporation, South Africa.
- iii) Mr. Ogor Chukwurah, Senior Manager, Strategic Planning, Nigerian Exim Bank, for reelection as Member.
- Proposed by : Mr. Jean-Louis Ekra, Afreximbank
- Seconded by : Mr. Thierno Bocar Tall, ECOWAS Bank for Investment and Development.
- iv) Dr. Michael Gondwe, President, PTA Bank, for election as Member.
- Proposed by : Mr. T.C. Venkat Subramanian, Export-Import Bank of India.
- Seconded by : Mr. Jean-Louis Ekra, Afreximbank
- v) Mr. German Jaramillo, Director for Europe, Andean Development Corporation, for election as Member.
- Proposed by : Mr. T.C. Venkat Subramanian, Export-Import Bank of India.
- Seconded by : Mr. Jean-Louis Ekra, Afreximbank
- vi) Joint stock company “The State Export-Import Bank of Ukraine” (name of the nominee has, since, been advised as Mr.Mykola Udovychenko, Deputy Chairman).
- Proposed by : Mr. T.C. Venkat Subramanian, Export-Import Bank of India.
- Seconded by : Mr. Abdessalem Mansour, BFPME, Tunisia.

13. It was decided that a meeting of the Steering Committee will be convened in Mumbai, India, on a suitable date in the latter half of July, 2008.

DISCUSSIONS AND EXPERIENCE SHARING AMONGST MEMBERS

14. A number of inputs and suggestions were offered by member institutions. These are listed below :

- i) PTA Bank advocated strong support by banks for SMEs, which are very important for economic development. A Seminar may be organized on financing of SMEs, which may also cover aspects of risk management, resources, etc.
- ii) Industrial Development Bank of Kenya and Nigerian Exim Bank agreed with PTA Bank on the need for a Seminar on SME financing and mentioned that the programme should help SMEs manage risks better.
- iii) BFPME, Tunisia, indicated that they would be happy to host a Seminar on SMEs in October-November, 2008. They also indicated that they would be happy to conduct skill development programmes for officials from other member institutions of G-NEXID.
- iv) Afreximbank suggested sharing of experience in promoting exports and export development.
- v) ECOWAS Bank suggested that a database may be created on industries and companies in various countries, so that G-NEXID members can access the same for promotion of trade and investment. ECOWAS Bank also suggested discussions on identification of alternative sources of energy, that could be tapped, in the context of spiralling petroleum prices.
- vi) Exim Bank of Ukraine briefly outlined the details of the second Export Development Project undertaken by them, under the auspices of World Bank. They suggested that G-NEXID members may be exposed to programmes in association with multilateral funding institutions. In this context, they also suggested that representatives from multilateral institutions, including OECD, IFC, Washington, etc., may be invited to the future meetings of G-NEXID as Observers. Exim Bank of Ukraine also

suggested that a Seminar highlighting the relevance and importance of environmental issues may be organized for the benefit of G-NEXID members. UNCTAD suggested that this Seminar may be organized as part of the next G-NEXID Annual Meeting to be held in 2009.

- vii) In the context of the suggestion made by Exim Bank of Ukraine for inviting representatives from multilateral agencies to the meetings of G-NEXID, a suggestion was also made that G-NEXID members should leverage their contacts with multilateral institutions like World Bank and brief them on the objectives and activities of G-NEXID.
- viii) Exim Bank of Romania suggested that anti-corruption provisions, as contained in OECD guidelines, may be considered for suitable adoption by G-NEXID in due course.
- ix) BFPME suggested that the Steering Committee should meet once in six months in any member country and review the activities of G-NEXID.

15. The members recognised the strong role of the Forum in forging alliances amongst members, like for instance, those between Exim Bank of India and Exim Bank of Romania, Industrial Development Bank of Kenya and Exim Bank of Romania, Exim Bank of India and Development Bank of Zambia and China Development Bank and Development Bank of Zambia (under discussion). The members expressed the hope that similar such cooperation arrangements will be entered into in future, paving the way for increase in trade and investment amongst the member countries and regions. Members also noted that besides business relationships, G-NEXID has also helped the process of experience sharing amongst members, by way of interactions, training programmes and exchange of personnel and were confident that this process will continue even stronger in future.

16. Detailed presentations were made by BFPME, Tunisia and ITC, Geneva, on support systems for SMEs, which is a focus area for G-NEXID. Presentation of BFPME included their experience in application of Loan.com product for strengthening their internal appraisal for financing SMEs. The presentation by ITC dealt with the aspect of building competencies for SME financing.

17. The members discussed in detail, the plan of action for G-NEXID for the next one year. It was decided that the Steering Committee will meet in Mumbai in the latter half of July 2008 to review the activities of the first half of the year 2008 and plan activities for the second half of the year. It was also decided to organize a Seminar on SMEs in Tunisia, during October-November 2008 and a Seminar on environmental issues in March, 2009, coinciding with the Fourth Annual Meeting of G-NEXID.

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 Third Annual Meeting as closed.

TECHNICAL SEMINAR ON ‘SMEs : THE DRIVING FORCE OF THE GLOBAL ECONOMY’

19. A Technical Seminar on ‘SMEs : The Driving Force of the Global Economy’, was organized on Tuesday, April 8, 2008, on the eve of the Annual Meeting. The Seminar was presided over by the Honorary President, G-NEXID. In his opening remarks, he highlighted the role of SMEs in the industrial development of many countries. He pointed out that the importance of the SME sector arose from its significant contribution to various socio- economic objectives such as, higher growth of employment and output, promotion of exports and fostering entrepreneurship. He outlined the significant growth of SMEs in different regions, both developing and developed. He mentioned that strategies for SME development would include macrolevel and firm level initiatives. In this context, he outlined the role of financial institutions, who are Members of G-NEXID, in supporting SMEs through financing and capacity building initiatives.

20. Three technical presentations were made at the Seminar. The first presentation on ‘EMPRETEC’ was made by Ms. Fiorina Mugione, Chief, Enterprise Policies and Capacity Building, Division on Investment, Technology and Enterprise Development, UNCTAD. EMPRETEC is an integrated capacity building programme of UNCTAD that promotes the creation of sustainable support structures that help promising entrepreneurs build innovative and internationally competitive SMEs, thereby

contributing to the development of a dynamic private sector. The second presentation on 'SME Cluster and Networking Development' was made by Ms. Giovanna Ceglie, Chief, Clusters and Business Linkages Unit, Private Sector Development Branch, UNIDO, Vienna. In her presentation, she outlined the role played by UNIDO in addressing the specific needs of SMEs, through implementation of technical cooperation projects, based on a cluster and network development approach. The third presentation on 'The Relevance of an Effective SME Growth Strategy for the Success of a National Export Strategy' was made by Mr. Anton Said, Officer-in-Charge of Export Strategy, Bureau of Policy and Programmes, International Trade Centre, Geneva. In his address, he outlined, in detail, the various strategic initiatives required for the growth of SME sector, which will form part of a country strategy for promoting international trade.

21. During discussions after the above presentations, the following points emerged :

- i) As regards the implementation of the EMPRETEC programme, UNCTAD indicated that while they are open to working directly with G-NEXID members in different countries, an ideal conduit will be the Government of the country, which makes the implementation effective. Also, there are EMPRETEC centres in different countries, which discuss the implementation with the concerned banks.
- ii) A suggestion was made that a regional hub could be created with some of the regional banks to cover the respective regions, since involvement of regional banks will ensure participation by the respective Governments, who are often shareholders in these banks.
- iii) As regards the West African region, UNCTAD indicated that they are currently working in Benin for the implementation of the EMPRETEC programme and would like to extend it to other countries in the region.

- iv) As regards the presentation by UNIDO on SME Cluster and Networking Development, a suggestion was made that the three UN organizations viz., UNCTAD, UNIDO and ITC should work together in different countries, alongwith the banks in these regions in order that SME support systems are implemented successfully. UNIDO indicated that a key element of SME Cluster and Networking Development approach is to develop partnerships with banks and micro finance institutions as also to develop credit guarantee schemes. In this context, UNIDO indicated that G-NEXID members could be their potential partners.

- v) As regards the presentation on the relevance of a SME growth strategy for the success of a national export strategy, ITC emphasized that it is essential for the relevant organizations, both public and private, to be involved in the design and implementation of the national strategy. ITC, hence, mentioned that involvement of G-NEXID members will be crucial for the success of the concerned country's national export strategy.
