
MINUTES OF THE 3RD MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD AT THE NEW DEVELOPMENT BANK, SHANGHAI, CHINA ON 20-21 JANUARY 2016

Present:

Board of Directors and Alternate Directors Acting for Directors

- i. Mr. Luis Balduino (Board Member, Brazil, Chairman)
- ii. Mr. Andrey Bokarev (Alternate Director, Russia)
- iii. Mr. Dinesh Sharma (Board Member, India)
- iv. Mr. Shaolin Yang (Board Member, China)
- v. Mr. Tito Mboweni (Board Member, South Africa)
- vi. Mr. K. V. Kamath (President and Board Member)

Vice Presidents

- i. Mr. Leslie Maasdorp
- ii. Mr. Paulo Nogueira Batista
- iii. Mr. Vladimir Kazbekov
- iv. Mr. Xian Zhu

Alternate Directors

- i. Ms. Elizabeth Mmakgoshi-Lekhethe, Alternate Director for South Africa

Other Attendees

- i. Mr. Evgeny Kochkin, Leading Adviser, Department for International Financial Affairs, Russia
- ii. Mr. Licheng Yao, Director, Department of International Financial and Economic Cooperation, MOF, China

- iii. Mr. Weijie Liu, Deputy Director, Department of International Financial and Economic Cooperation, MOF, China
- iv. Mr. Bo Jin, Deputy Director, Department of International Economic Relationships, Ministry of Foreign Affairs, China

Staff of the Technical Secretariat

- i. Mr. Couto Silva, Consultant
- ii. Mr. Ernest Dietrich, Seconded
- iii. Mr. Fabio Najjarian Batista, Consultant
- iv. Mr. Gopal Balachandran, Seconded
- v. Mr. Navin Agarwal, Seconded
- vi. Mr. Satish Rao, Consultant
- vii. Mr. Zhan Shu, Seconded

1. Adoption of the Agenda; Leave of absence; Approval of minutes of the 2nd meeting of the Board of Directors, 23-24 November 2015

The agenda was considered and adopted. The Board of Directors (“the Board” or “BoD”) approved the revised Minutes and Summary of the 2nd BoD meeting (2015-BD02-M001 and 2015-BD02-S001), subject to amendments.

2. Preparation of Project Pipeline

An analysis was presented on the projects that had been received till date. It was reiterated that the first set of loans would be submitted for approval around April 2016.

3. Engagement with National Development Banks

The policy on Partnerships with National Development Banks was discussed and approved.

4. Progress on Paid in Capital

A note on paid in capital was presented (2016-BD03-DOC-02) and the Board was informed that the NDB had received USD 1 billion towards paid-in capital, which had been deployed as deposits across a number of institutions, guided by the objective to maximise the return.

5. Approach to Ratings: Next steps

The Board noted the information paper circulated (2016-BD03-DOC-03) and the presentation.

6. Local currency Bond Issuance

The Board was briefed on the steps being taken for the first bond issuance by the NDB (2016-BD03-DOC-04). A detailed proposal for the issuance would be presented to the Board in its next meeting.

7. Recruitment plan of the NDB

The recruitment plan was approved by the Board.

8. Budget for 2016

The proposed budget for 2016 (2016-BD03-DOC-05) was approved by the Board.

9. Progress on Headquarter Agreement

The Board discussed and approved the draft Headquarter Agreement that had been circulated (2016-BD03-DOC-06) and authorised the Management to convey NDB's approval for signing the agreement to the Government of China.

10. Progress on Logo and Visual Identity of the NDB

The Board took note of the presentation on the logo, visual identity and the interim website of the as finalised.

11. Strategy of the New Development Bank

The concept note on the NDB strategy (2016-BD03-DOC-07) was discussed. It was decided to develop it further based on inputs provided by the Board Members.

12. Approach to new members: Discussion topic

The Board discussed issues pertaining to the expansion of membership (2016-BD03-DOC-08) and decided to continue the deliberations at the next meeting.

13. Policies: for discussion and approval

The following policies were considered and approved by the Board:

1. Board Governance Structure

Organization Structure and HR Policies

2. Code of Business Conduct and Ethics
3. Diversity Policy
4. Recruitment Policy

5. Organization Structure
6. Staff Compensation and Benefits Policy

Finance and Control Policies

7. Liquidity Risk Management Policy
8. Operational Risk Management Policy
9. Interest Rate Risk Management Policy
10. Exchange Rate Risk Management Policy
11. Credit Risk Management Policy
12. Treasury Business Management Policy
13. Accounting Policy and Measurement
14. Internal Audit Policy

14. Operational Policies

The following revised operational policies were also discussed:

- **Country Partnership Plan:**

The Board considered and approved the policy with minor amendments.

- **Loans with Sovereign Guarantee:**

The Board considered and approved the policy presented, and requested revisions.

- **Processing of Loans with Sovereign Guarantee:**

The Board considered and approved the policy presented.

- **Financial Management and Financial Analysis, and Economic Analysis of Projects:**

The Board considered and approved the policy presented.

- **Technical Assistance Policy:**

The Board considered and approved the policy with minor amendments.

- **Procurement Policy:**

It was decided that suggestions made by the Board Members would be incorporated and a revised draft will be submitted to the Board for consideration.

- **Loans without Sovereign Guarantee to National Financial Intermediaries:**

The Board considered and approved the proposed policy.

- **Environment and Social Framework:**

It was decided that suggestions made by members would be incorporated and a revised draft would be submitted to the Board for consideration.

15. Transition from the temporary company: Next steps

The Board was briefed on the steps to be taken for transitioning from the temporary company.

16. Next Steps

Tentative Calendar of meetings of the BoG and the BoD: Members discussed the schedule of the next few meetings of the BoD and the BoG based on which the tentative dates for meetings over the next few months in 2016 are as follows:

Date/Time (tentative)	Venue	Meeting/Event
26 February	Shanghai	Visit by Governors to the NDB office for a short interaction and witnessing the signing of the Headquarter Agreement of NDB with China
29 February	Shanghai	4 th BoD meeting
14 April	Washington DC Venue to be decided	2 nd BoG meeting
Around 14 April	Washington DC Exact date and venue to be decided	5 th BoD meeting
7 July		Chairpersonship of BoG to transfer from Russia to India
20 July	Shanghai	Annual meeting of the BoG
Around 20-21 July	Shanghai	6 th BoD meeting

It was decided that the proposed calendar would be circulated to the Board Members to ascertain the convenience of the above dates for their respective Governors.

The meeting ended with thanks to the Chairman and the Board Members.