

**MINUTES OF THE 5<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD IN WASHINGTON D.C., UNITED STATES OF AMERICA, 13 APRIL 2016**

Present:

**Board of Directors and Alternate Directors Acting for Directors**

- i. Mr. Luis Balduino (Director, Brazil, Chairman)
- ii. Mr. Sergey Storchak (Director, Russia)
- iii. Mr. Tito Mboweni (Director, South Africa)
- iv. Mr. Raj Kumar (Alternate Director, India)
- v. Mr. Zhijun Cheng (Alternate Director, China)
- vi. Mr. K. V. Kamath (President and Board Member)

**Vice Presidents**

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

**Alternate Directors**

- i. Mr. Carlos Márcio Cozendey (Alternate Director, Brazil)
- ii. Mr. Andrey Bokarev (Alternate Director, Russia)
- iii. Ms. Elizabeth Mmakgoshi-Lekhethe (Alternate Director, South Africa)

**Other Attendees**

- i. Mr. Erivaldo Gomes, Deputy-Secretary for International Affairs, Ministry of Finance, Brazil
- ii. Ms. Giselle Meirelles, Advisor, Central Bank of Brazil

- iii. Ms. Anna Valkova, Deputy Director of Department for International Financial Relations, Ministry of Finance, Russian Federation
- iv. Ms. Aparna Bhatia, Director, Department of Economic Affairs, Ministry of Finance, India
- v. Mr. Guoqi Wu, Director, Ministry of Finance, China
- vi. Mr. Weijie Liu, Deputy Director, Department of International Financial and Economic Cooperation, Ministry of Finance, China

#### **Staff of the Technical Secretariat**

- i. Mr. Gopal Balachandran, Seconded
- ii. Mr. Shu Zhan, Seconded
- iii. Mr. Satish Rao, Consultant
- iv. Mr. Fabio Batista, Consultant
- v. Ms. Yolande Dwarika, Seconded
- vi. Mr. Evgeny Kochkin, Seconded

#### **1. Adoption of the Agenda**

The agenda was adopted with changes to the order.

#### **2. Leave of absence**

No leave of absence was recorded.

#### **3. Approval of minutes and summary of the 4<sup>th</sup> meeting of the BoD, 29 February 2016**

The Minutes and Summary of the 4<sup>th</sup> meeting of the Board of Directors (“the Board” or “BoD”) held on 29 February 2016 were approved without amendment.

#### **4. Project proposals for consideration**

The Board considered four project proposals, which were all focused on the renewable energy sector. The projects comprised of a variety of instruments and lending modalities and the commitment amounted to USD 636 million (after excluding subsequent tranches totalling USD 175 million under the multi-tranche financing facility) with maturity in a range of 12 to 20 years.

The funding strategy of the Bank was elaborated. The Board approved the project proposals together with the terms and conditions set forth in the proposals, as follows:

- a) Sovereign loan of RMB 525 million to the People's Republic of China for Lingang Distributed Solar Power Project implemented by Shanghai Lingang Hongbo New energy Development Co. Ltd.<sup>1</sup>;
- b) Loan of USD 180 million with sovereign guarantee from the Republic of South Africa to Eskom Holdings State-Owned-Company Limited for integrating renewable energy independent power producers (RE-IPP) projects and augmenting transmission capacity for further development of the Soweto Area;
- c) Loan of USD 250 million with sovereign guarantee from the Government of India to Canara Bank for Renewable Energy Financing Scheme (first tranche of USD 75 million); and
- d) Two-step loan of USD 300 million without sovereign guarantee to Banco Nacional de Desenvolvimento Econômico e Social (BNDES) for financing of renewable energy and associated transmission projects in Brazil.

The Board adopted Resolution 2016-BD-R009, approving the aforementioned projects.

## **5. Matters arising from the 4<sup>th</sup> meeting of BoD**

### **a) Update on local currency bond issuance, international credit rating process and loan pricing model**

A presentation was made on the progress of the Bank's first bond issuance in China. The Board would be apprised of the terms and conditions, once finalised by the Bank.

An update was provided on the international credit rating process, which included an overview of the entire process and an indicative timeline.

### **b) Update on Strategy of the New Development Bank and approach on new membership**

The Bank provided an update to the Board on the progress of developing the general strategy of the Bank. A roadmap of the next steps was provided.

On the topic of approach on new membership, the Bank indicated that since the last Board Meeting, the views and suggestions made by the Board had been

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<sup>1</sup> Subject to completion of the domestic approval process

incorporated into the discussion paper. The discussion paper would be presented to the Special Meeting of the Board of Governors on 14 April 2016.

**6. Update on Recruitment Process**

The Management informed the Board on the recruitment process.

**7. Internal Audit Report**

The Internal Audit Report of the New Development Bank and the Internal Audit Report for the New Development Bank Shanghai Preparation and Management LLC were circulated to the Audit, Risk, and Budget Compliance Committee on 10 March 2016. The Chairman of the Audit, Risk, and Budget Compliance Committee recommended that the reports be approved.

The Board approved both reports.

**8. Any other matter with the approval of the Chairman**

The President of the Bank proposed that the First Annual Meeting of the Board of Governors would take place in Shanghai. The tentative dates are 25 and 26 July 2016. All Board Members endorsed this proposal.

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