
MINUTES OF THE 17th MEETING OF THE BOARD OF DIRECTORS OF THE NEW DEVELOPMENT BANK HELD IN SHANGHAI ON NOVEMBER 16, 2018 10:00 AM

PRESENT:

Directors and Alternate Directors

- i. Mr. Marcello Estevão (Director for Brazil, Chairperson)
- ii. Mr. Andrey Bokarev (Alternate Director for Russia)
- iii. Mr. K. Rajaraman (Director for India)
- iv. Mr. Shixin Chen (Director for China)
- v. Ms. Vuyelwa Vumendlini (Alternate Director for South Africa)
- vi. Mr. K. V. Kamath (President and Board Member)

Advisors and Other Participants Accompanying Directors

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| <ol style="list-style-type: none">i. Mr. Marcos Guimarães, Coordinator-General for International Cooperation and Development at the Secretariat for International Affairs, Ministry of Finance, Brazilii. Mr. Marcel Garcia, Consul, Counsel-General of the Federative Republic of Brazil, Shanghaiiii. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russiaiv. Mr. Prashant Lokhande, Counsellor (Economic) of the Embassy of India, Beijing | <ol style="list-style-type: none">v. Ms. Jiandi Ye, Director, IFI Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, Chinavi. Ms. Guanzhu Wang, Director, IFI Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, Chinavii. Ms. Jin Rui, Staff Member, IFI Division V, Department of International Financial and Economic Cooperation, Ministry of Finance, China |
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- viii. Mr. Andile Kuzwayo, Director, BRICS Global and Emerging Markets, International and Regional Economic Policy Division, National Treasury, South Africa
- ix. Mr. Oratilwe Teisho, Staff member, BRICS Global and Emerging Markets, International and Regional Economic Policy Division, National Treasury, South Africa

Vice Presidents

- i. Mr. Sarquis Sarquis, Vice-President and Chief Risk Officer (“CRO”)
- ii. Mr. Vladimir Kazbekov, Vice-President and Chief Administrative Officer (“CAO”)
- iii. Mr. Xian Zhu, Vice-President and Chief Operations Officer (“COO”)
- iv. Mr. Leslie Maasdorp, Vice-President and Chief Financial Officer (“CFO”)

New Development Bank Staff

- i. Mr. Naveen Srivastava, Director General and Corporate Secretary
- ii. Ms. Yolande Dwarika, Chief, Corporate Secretary
- iii. Mr. Weijie Liu, Principal Professional, Corporate Secretary
- iv. Ms. Miya Liu, Junior Professional, Corporate Secretary

The following staff members attended the meeting for relevant agenda items with the approval of the Chairperson:

- i. Mr. Yury Surkov, Director General, Operations II
- ii. Mr. Shaohua Wu, Director General, Operations I
- iii. Mr. Levan Zoltarev, Director General, Treasury and Portfolio Management
- iv. Mr. Sergei Kuznetsov, Director General and Legal Counsel
- v. Mr. Alexander Baryshnikov, Chief, Information Technology
- vi. Mr. Jianjun Wu, Chief Administrator, Special Project
- vii. Mr. Garvit Sah, Principal Professional, Operations I
- viii. Mr. Jianshi Yao, Senior Professional, Operation I
- ix. Ms. Elisa Xiao, Senior Professional, Environmental and Social, Operations Policy and Project Support
- x. Mr. Ken Yu, Senior Professional, Treasury and Portfolio Management
- xi. Mr. Yu Shen, Professional, Treasury and Portfolio Management
- xii. Mr. Fabio Batista, Executive Assistant to CRO
- xiii. Mr. Saurabh Ghugre, Executive Assistant to CFO
- xiv. Mr. Jitesh Ketkar, Young Professional, Operations I

- xv. Mr. Julien Demeulemeester, Young Professional, Economic Research and Analytics
- xvi. Ms. Aimee Ji, Junior Professional, Operations I
- xvii. Mr. Satish Rao, Consultant, Operations

1. Adoption of the Agenda

The Board of Directors (“the Board”) adopted the agenda (2018-BD17-DOC-001-REV1).

2. Leave of Absence

The absence of the Director for Russia and South Africa was recorded. The Directors for South Africa and Russia were represented by the respective Alternate Directors.

3. Approval of the Minutes and Summary of the 16th Board of Directors Meeting held on September 18, 2018

The Board approved the Minutes (2018-BD17-DOC-003) and Summary (2018-BD17-DOC-004) of the 16th Board of Directors meeting held on September 18, 2018.

4. Record of Approval of Matters Agreed to in the Intersessional Period

The Board took note that the Memorandum of Understanding between the New Development Bank and the Food and Agriculture Organisation was approved for transmission to the Board of Governors for consideration.

5. Matters Arising from Previous Meetings

The Board considered the Matters Arising from the 16th Board of Directors meeting (2018-BD16-DOC-005) and took note thereof.

6. Projects

a. Project Proposals

The Board considered the Note concerning Project Proposals (2018-BD17-DOC-006-REV1) and took note thereof.

(i) Loan to the Republic of India for Mumbai Metro Rail Project – USD 260 million

The Board considered the project document (2018-BD17-DOC-007-REV1) on the proposed loan of USD 260 million to the Republic of India for Mumbai Metro Rail Project and approved the project proposal.

(ii) Loan to the People's Republic of China for Guangdong Yudean Yangjiang Shapa Offshore Wind Power Project – RMB 2 billion

The Board considered the project document (2018-BD17-DOC-008-REV1) on the proposed loan of RMB 2 billion to the People's Republic of China for Guangdong Yudean Yangjiang Shapa Offshore Wind Power Project and approved the project proposal.

(iii) Loan to the People's Republic of China for Jiangxi Gas Transmission System Development Project – USD 400 million

The Board considered the project document (2018-BD17-DOC-009-REV1) on the proposed loan of USD 400 million to the People's Republic of China for Jiangxi Natural Gas Transmission Project and approved the project proposal.

(iv) Loan to the People's Republic of China for Hohhot New Airport Project – RMB 4.2 billion

The Board considered the project document (2018-BD17-DOC-010-REV1) on the proposed loan of RMB 4.2 billion to the People's Republic of China for Hohhot New Airport Project and approved the project proposal.

Resolution 2018-BD-R028 concerning the aforementioned projects was adopted.

b. Review of Ongoing Projects and Disbursements

The Board considered the Note on Ongoing Projects and Disbursements (2018-BD17-DOC-011) and took note of thereof.

c. Update on Project Pipeline

The Board took note of the update on the project pipeline.

7. Update on Project Preparation Fund

The Board considered the Note on the Progress on the Project Preparation Fund (2018-BD17-DOC-012) took note of thereof and agreed on the need of the soonest finalisation of the PPF Guidelines which would include rules of its operation.

8. Sovereign Loan Pricing Framework

The Board considered the Note on Sovereign Loan Pricing (2018-BD17-DOC-013) and approved the recommendations contained therein.

9. Update on Funding Plan

The Board considered the Note on Update on the Funding Plan (2018-BD17-DOC-014) and took note thereof.

10. Policies

a. Policy on Sovereign Guaranteed Projects in Non-Member Countries

The Board considered the proposed revisions to the draft Policy on Sovereign Guaranteed Projects in Non-Member Countries (2018-BD17-DOC-016).

b. Review of the General Conditions (Loans with Sovereign Guarantees) and General Conditions (Loans without Sovereign Guarantees to National Financial Intermediaries)

The Board received an update on the Workshop on the General Conditions (Loans with Sovereign Guarantees) and General Conditions (Loans without Sovereign Guarantees to National Financial Intermediaries) which took place on November 14, 2018. The Board took note of the progress made during the Workshop and requested that the revised draft of the General Conditions (Loans with Sovereign Guarantees) be circulated to the Board for consideration.

c. Refinement to the Policy on Processing of Loans with Sovereign Guarantee

The Board took note of the suggested refinements to the Policy on Processing of Loans with Sovereign Guarantee and requested that the revisions to the policy be tabled at the next Board meeting for consideration.

11. General Principles for Regional Centres' Terms of Reference

The Board received an update on the Workshop on the General Principles for Regional Centres' Terms of Reference which took place on November 15, 2018. The Board took note of the progress made during the Workshop and request that the revised General Principles be circulated to the Board for consideration.

12. Report of the Chairperson of Audit, Risk and Compliance Committee

The Chairperson of the Audit, Risk and Compliance Committee ("ARC"), provided a report on the 8th meeting of the ARC. The Board took note of the following:

- a. Quarterly Credit Risk Report for the period ended September 30, 2018;
- b. Quarterly Market and Liquidity Risk Report for the period ended September 30, 2018;
- c. Quarterly Operational Risk Report for the period ended September 30, 2018;
- d. Compliance Update;
- e. Internal Audit Update; and
- f. Quarterly Internal Audit Report for the period ended September 30, 2018

The Board approved the following:

- a. Quarterly Audited Financial Statements for the New Development Bank for the period ended June 30, 2018;
- b. Quarterly Unaudited Financial Statements for the Project Preparation Fund for the period ended June 30, 2018; and
- c. Re-appointment of the External Auditors, Deloitte for 2019.

13. Report of the Chairman of the Budget, Human Resources and Compensation Committee

The Chairperson of the Budget, Human Resources and Compensation Committee ("BHRC") provided a report to the Board on the 4th meeting of the BHRC. The Board took note of the following:

- a. Recruitment and Diversity Update;
- b. Implementation of the Staff Performance Management Policy;
- c. Initiatives to Build the NDB Corporate Culture; and
- d. Ethics Update

The Board approved the Budget Utilisation Report for CY2018 and Proposed Budget for CY 2019 and the 3-year budget: CY2019-CY2021. The Board requested the Management to suggest proposals concerning the Africa Regional Centre Staff compensation and benefits, for the consideration of the BHRC.

14. Expansion of Membership

The Board considered the various aspects pertaining to the expansion of membership and provided further guidance.

15. Information Technology Main Projects Roadmap

The Board considered the presentation (2018-BD17-DOC-026) and took note thereof.

16. Progress Report of the Construction of the Headquarters Building

The Board took note on the progress of the construction of the Headquarters building.

17. Update on the Preparation of the 4th Annual Meeting of the Board of Governors

The Board of Directors agreed that the 4th Annual Meeting of the Board of Governors would take place on March 31 – April 2, 2019 in Cape Town, South Africa. The proposed dates would be transmitted to the Board of Governors.

18. Work Plan for the Board of Directors and Committees

The Board considered the Board of Directors Draft Work Plan for 2019 (2018-BD17-DOC-027) and took note thereof.

19. Date and Venue of Next Meeting

The Board decided that the next physical Board meeting would take place in March 2019, before the 4th Annual Board of Governors Meeting in South Africa.

20. Any Other Matters

The Board of Directors thanked the Directors for China and Brazil for their contribution to the NDB Board of Directors. The meeting ended with thanks from the Chairperson of the Board.