
**MINUTES OF THE TWENTY-SECOND MEETING OF THE BOARD OF DIRECTORS
OF THE NEW DEVELOPMENT BANK HELD IN SHANGHAI, CHINA, ON
DECEMBER 2, 2019 AT 15:00**

PRESENT:

Directors and Alternate Directors

- i. Mr. K. Rajaraman (Director for India, Chairperson of the meeting)
- ii. Mr. Wencai Zhang (Director for China)
- iii. Mr. Qiangwu Zhou (Alternate Director for China)
- iv. Mr. Andile Kuzwayo (Temporary Alternate Director for South Africa)
- v. Ms. Yana Dumaresq (Temporary Alternate Director for Brazil)¹
- vi. Mr. Andrey Bokarev (Alternate Director for Russia)
- vii. Mr. K. V. Kamath (President and Board Member)

Advisors and Other Participants Accompanying Directors

- i. Mr. Marcos Machado Guimarães, Deputy Secretary for International Economic Affairs, Ministry of Economy, Brazil
- ii. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia
- iii. Mr. Prashant Lokhande, Counsellor (Economic) of the Embassy of India in Beijing, India
- iv. Mr. Kaviarasan K, Deputy Director, United Nations and Other Multilateral Institutions Division, Department of Economic Affairs, Ministry of Finance, India
- v. Mr. Yuanjie Yang, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- vi. Ms. Hongna Li, Deputy Director, Division IFI IV, Department of International Financial and Economic Cooperation, Ministry of Finance, China

¹ Ms. Yana Dumaresq was nominated as the Director for Brazil on December 16, 2019, effective from October 12, 2019. At the time of this meeting, she is appointed as the Temporary Alternate Director for Brazil.

- vii. Ms. Rui Jin, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- viii. Mr. Yazhou Yan, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- ix. Mr. Lesego Ntoahae, Economist, BRICS, Global and Emerging Markets, International and Regional Economic Policy, National Treasury

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. Ms. Yolande Dwarika, Director General and Corporate Secretary
- ii. Mr. Weijie Liu, Principal Professional, Corporate Secretary
- iii. 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. Shaohua Wu, Director General, Operations I
- ii. Mr. Yury Surkov, Director General, Operations II
- iii. Mr. Levan Zolotarev, Director General, Treasury and Portfolio Management
- iv. Ms. Halima Nazeer, Director General, Finance, Budget and Accounting
- v. Mr. Jose Luiz Fernandes, Director General, Risk Management
- vi. Mr. Daokui Li, Director General and Chief Economist
- vii. Mr. Roman Novozhilov, Chief, Operations Policy and Project Support
- viii. Mr. Manish Singh, Chief, Human Resources
- ix. Mr. Garvit Sah, Principal Professional, Operations I
- x. Mr. Fabio Batista, Executive Assistant to CRO
- xi. Mr. Jianshi Yao, Senior Professional, Operations I
- xii. Mr. Yang Luo, Senior Professional, Operations II
- xiii. Mr. Jatin Singh, Senior Professional, Operations II
- xiv. Mr. Neelanjan Ganguly, Senior Professional, Operations II
- xv. Ms. Jingjing Han, Senior Professional, Operations II
- xvi. Mr. Binitesh Kumar, Professional, Operations I
- xvii. Mr. Jitesh Ketkar, Professional, Operations I
- xviii. Mr. Qingwei Meng, Professional, Strategy and Partnership
- xix. Mr. Charlie Tian, Professional, Operations II Division

- xx. Mr. Aleksei Kretov, Young Professional, Operations II
- xxi. Mr. Mukund Kumar, Young Professional, Operations I
- xxii. Mr. Tim Fleming, Young Professional, Operations II
- xxiii. Ms. Igor Zakharov, Young Professional, Operations II
- xxiv. Mr. Julien Demeulemeester, Young Professional, Economic Research and Analytics
- xxv. Ms. Anna Kurguzova, Young Professional, Strategy and Partnership
- xxvi. Mr. Yanjun Lin, Junior Professional, Economic Research and Analytics

1. Adoption of the Agenda

The Board of Directors (“Board”) appointed the Director for India as the Chairperson of the meeting.

The agenda (2019-BD22-DOC-001-REV2) was adopted by the Board.

2. Leave of Absence

The absence of the Director for Brazil, the Director for Russia and the Director for South Africa was recorded. The Director for Russia was represented by the Temporary Director for Russia. The Director for Brazil and the Director for South Africa were represented by respective Temporary Alternate Directors. The meeting had the requisite quorum.

3. Approval of Minutes and Summary of the 21st Board of Directors Meeting held on September 12, 2019

The Board approved the Minutes (2019-BD22-DOC-003) and Summary (2019-BD22-DOC-004) of the 21st Board of Directors Meeting held on September 12, 2019.

4. Record of Approval of Matters Agreed to During the Inter-Sessional Period

The Board considered the Note on the Inter-Sessional Decisions of the Board of Directors since the 21st Meeting (2019-BD22-DOC-005) and took note thereof.

5. Matters Arising from Previous Meetings

The Board considered the Matters Arising from the 21st Board of Directors Meeting (2019-BD22-DOC-006-REV1) and took note thereof.

The Board considered the Criteria for the Election of President and Appointment of Vice-Presidents (2019-BD22-DOC-008-a) and the Timeline for the Election of President and Appointment of Vice-Presidents (2019-BD22-DOC-008-b), and requested further work.

The Board agreed that the Criteria for the Election of President and Appointment of Vice-Presidents be submitted to the Board of Governors for approval.

The Board considered and approved the revised Staff Compensation and Benefits Policy.

6. Project Proposals

a. Loan of RMB 2.76 billion to the People's Republic of China for Hubei Huangshi Modern Tram Project

The Board considered the project document on the proposed Loan of RMB 2.76 billion to the People's Republic of China for Hubei Huangshi Modern Tram Project (2019-BD22-DOC-010-a) and approved the project proposal.

Resolution 2019-BD-R043 concerning the aforementioned project was adopted.

b. Loan of USD 312 million to the Republic of India for Manipur Water Supply Project

The Board considered the project document on the proposed Loan of USD 312 million to the Republic of India for Manipur Water Supply Project (2019-BD22-DOC-011-a) and approved the project proposal.

Resolution 2019-BD-R044 concerning the aforementioned project was adopted.

c. Loan of USD 225 million to the Republic of India for Indore Metro Rail Project

The Board considered the project document on the proposed Loan of USD 225 million to the Republic of India for Indore Metro Rail Project (2019-BD22-DOC-012-a) and approved the project proposal.

Resolution 2019-BD-R045 concerning the aforementioned projects was adopted. The Board further approved on an exceptional basis retroactive financing of 20% of loan amount for reimbursement of eligible project expenditure incurred since January 1, 2019.

7. Project Preparation Fund

a. Technical Assistance of USD 300,000 to the Republic of India for Mizoram Tuirini Small Hydro Project

The Board considered the project document on the proposed Technical Assistance of USD 300,000 to the Republic of India for Mizoram Tuirini Small Hydro Project (2019-BD22-DOC-013-a) and approved the technical assistance project proposal.

Resolution 2019-BD-R046 concerning the aforementioned technical assistance project was adopted.

b. Technical Assistance of USD 400,000 to the Russian Federation for Krasnodar Cable Car Project

The Board considered the project document on the Technical Assistance of USD 400,000 to the Russian Federation for Krasnodar Cable Car Project (2019-BD22-DOC-014-a) and approved the technical assistance project proposal.

Resolution 2019-BD-R047 concerning the aforementioned technical assistance project was adopted. The Board further approved on an exceptional basis an increase above the maximum amount of USD 300,000 of technical assistance funded from the Project Preparation Fund.

8. Project Status

a. Project Status Presentations

The Board took note of the following project proposal status update:

- Loan of USD 500 million (in Euro) to the Russian Federation for Development of Educational Infrastructure for Highly Skilled Workforce (2019-BD16-DOC-015-a);
- Loan of USD 300 million to Eskom SOC Ltd. for Battery Energy Storage Project Guaranteed by the Republic of South Africa (2019-BD16-DOC-015-b);
- Loan of USD 500 million equivalent (in CHF) for JSC “Russian Railways” for Locomotive Fleet Renewal Program (2019-BD16-DOC-015-c);
- Investment of USD 100 million in National Investment and Infrastructure Fund (2019-BD16-DOC-015-d); and
- Investment of USD 100 million in Patria Infrastructure Fund (2019-BD16-DOC-015-e).

b. Update on Project Pipeline

The Board considered the Project Pipeline as of November 15, 2019 (2019-BD22-DOC-016) and took note thereof.

9. Quarterly Project Implementation and Disbursement Report

The Board considered the Quarterly Project Implementation and Disbursement Report (2019-BD22-DOC-018) and took note thereof.

10. Report on Project Procurement in Non-Member Countries

The Board considered the Report on Projects regarding Procurement in Non-Member Countries (2019-BD22-DOC-019) and took note thereof.

11. Note on Equity Investments

The Board considered the Note on Equity Investments (2019-BD22-DOC-020) and took note thereof.

12. Sovereign Loan Pricing Framework in Euros

The Board considered and approved the Sovereign Loan Pricing Framework in Euros (2019-BD22-DOC-021).

13. Financing Sub-National Governments on a Non-Sovereign Basis

The Board considered the Note on Financing Sub-National Governments Report on Projects regarding Procurement in Non-Member Countries (2019-BD22-DOC-022) and requested more analysis on providing loans to sub-national governments without sovereign guarantee.

14. Update on Funding Programme

The Board considered the Note on Funding Update (2019-BD22-DOC-023) and approved the fundraising of up to USD 1.5 billion in 2020.

15. Emergency Funding Plan

The Board considered and approved the Note on Emergency Funding Plan (2019-BD22-DOC-024).

16. Membership Expansion

The Board discussed issues concerning membership expansion and provided guidance for the next steps.

17. Economic Research: Outline of Report on Infrastructure Investment

The Board considered the Outline of the Flagship Report on Infrastructure for Growth and Development (2019-BD22-DOC-026) and provided guidance for further work on the report.

18. Review of NDB's General Strategy: 2017-2021

a. Mid-Term Review Report of the General Strategy

The Board considered the Mid-Term Implementation Review of NDB's General Strategy: 2017-2021 (2019-BD22-DOC-027-b) and took note thereof.

b. Report on Development Impact of NDB's Operations

The Board considered the Report on Development Impact of NDB's Operations (2019-BD22-DOC-027-c) and took note thereof.

19. Report of the Chairperson of Audit, Risk and Compensation Committee

The Chairperson of the Audit, Risk and Compliance Committee ("ARC") provided a report on the 13th Meeting of the ARC. The Board approved:

- a. The Quarterly Audited Financial Statements for the New Development Bank for the period ended September 30, 2019;
- b. The Quarterly Audited Financial Statements for the Project Preparation Fund of the New Development Bank for the period ended September 30, 2019;
- c. Re-appoint Deloitte as the Independent Auditor from FY 2020 to FY 2025;
- d. The preparation of quarterly financial statements as per the requirements of International Accounting Standard 34;
- e. The audit fee of USD 550,000 for FY2020;
- f. A mandatory rotation of its independent auditors every 10 years with two 5-year terms. The total period should not exceed 10 years;
- g. The audit partners are rotated every 5 years with a cooling-off period of 3 years;
- h. The Risk Limits for Investments in Equity Funds; and
- i. The redrafted Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy.

The Board also took note of the following:

- a. The Risk Management Report for the period ended September 30, 2019;
- b. The Compliance Update;
- c. The Status of Audit Observations Reported from Previous Audit Reports; and
- d. The Internal Audit Report for Q3, 2019

20. Report of the Chairperson of the Budget, Human Resources and Compliance Committee

The Chairperson of the Budget, Human Resources and Compensation Committee (“BHRC”) provided a report to the Board on the 8th Meeting of the BHRC. The Board of Directors approved:

- a. The Budget Utilisation Report for CY2019, the Proposed Budget for CY2020 and the proposed Three-Year Budget Framework for CY2020-2022;
- b. The Acceptance of the Distinguished Alumnus Award from the National Institute of Technology, Karnataka, India by the President;
- c. The Acceptance of the IMA Global Icon Award from the Indore Management Association by the President; and
- d. The Acceptance of the Cruz do Mérito da Fraterna Integração Brasil China from the International Council of Honors and Merit by the CRO.

The Board also took note of the Recruitment and Diversity Update and the Ethics Update.

21. Date and Venue of the Upcoming Meetings

The Board tentatively agreed that the 23rd Board meeting take place in next February in Moscow, Russia, followed by a Board project familiarisation visit in Karelia, Russia.

The Board also agreed that the 5th Annual Meeting of the Board of Governors and the side events including the 24th Board meeting take place in Rio de Janeiro from April 19 to 20, 2020.

22. Minutes of the 20th Board of Directors Meeting (Videoconference) held on August 20, 2019

The Board considered the Minutes of the 20th Board of Directors Meeting held on August 20, 2019 and approved to publicise it.

23. Any Other Matters

The meeting ended with thanks from the Chairperson of the Board.