In pursuing its mandate, NDB taps into a unique pool of human and technical resources. Learning from the experience of its member countries, which constitute 42% of the world's population, the Bank can share their lessons and contribute to the global development community. New members and a talent-intensive institution are integral parts of providing high-quality development finance by leading development networks and advancing international dialogue and cooperation.

Chapter 3

Stepping up dialogue and cooperation on development

Highlights from the BRICS and international cooperation

“We want to position the NDB as a premier development bank for emerging economies”

Mr. Marcos Troyjo
President

Russia, 2020

2020 BRICS Summit and related meetings

On November 17, 2020, during the 12th BRICS Summit organised by the Russian Chairmanship, NDB's President Marcos Troyjo reported to the BRICS leaders on the Bank's achievements and outlined five priorities for the next five-year cycle, namely:

(i) to position NDB as a premier development bank for emerging economies;

(ii) to play a leading role in the conversation on what development policy means in the 21st century;

(iii) to make progress in membership expansion in a gradual and responsible way;

(iv) to increase the complexity and outreach of our operations; and

(v) to make NDB a talent-intensive institution and strengthen the Bank's role as a platform for international cooperation.

On November 9, 2020, the NDB President participated in the Finance Ministers and Central Bank Governors Virtual Meeting held under Russian Chairmanship. Discussions included the outcomes of the G20 Saudi Presidency in 2020, a joint digital platform to encourage infrastructure investment and the expansion of NDB's membership.

As in previous years, in 2020, the President of NDB participated in the BRICS Interbank Cooperation Mechanism and the New Development Bank Financial Forum, held on November 16, which included the participation of CEOs of national development banks of BRICS countries. NDB's President also took part in the Plenary Session of the BRICS Business Forum, organised by the BRICS Business Council. Both sessions offered an opportunity for interactions with partners of the Bank.

Moscow Declaration

In the 12th BRICS Summit, the BRICS leaders adopted the Moscow Declaration, under the theme ‘BRICS Partnership for Global Stability, Shared Security and Innovative Growth’. The declaration highlights understandings and achievements of the BRICS strategic partnership in the three pillars of policy and security; economy and finance; and culture and people-to-people exchanges.

Under ‘Economy and Finance, Intergovernmental Cooperation’, the BRICS leaders acknowledged the initiative of exploring and sharing relevant and already existing national data on infrastructure and investment projects into a common Data Room on a voluntary basis, and noted NDB's possible engagement in the initiative. They voiced their support for NDB's timely measures in helping member countries combat COVID-19 and commended NDB's remarkable achievements made in the past five years. They expressed appreciation for the leadership of former President K.V. Kamath and welcomed President Marcos Troyjo. Leaders also welcomed the opening of the NDB Eurasian Regional Centre in Moscow and the future opening of an NDB regional office in India in 2021. They also expressed their support for NDB's membership expansion based on relevant decisions by NDB's Board of Governors.

BRICS RUSSIA | 2020

See more
Watch President Marcos Troyjo's address to the BRICS leaders

The BRICS economies in 2020[11]

This section starts with a description of the global context for the BRICS economies in 2020 and global trends in infrastructure investment, followed by a brief account of the evolution of economic activity in individual BRICS economies. It also highlights some policy developments with potential impact on future infrastructure and long-term investment in each of them.

Global context

The COVID-19 outbreak had a severe impact on the global economy in 2020. In addition to the pressure on national health systems, social safety nets and the fiscal stance, domestic cross-border restrictions on the mobility of goods and personnel interrupted both the supply and demand of products and services, leading to unemployment, bankruptcies and severe impact on people's livelihood. In April 2021, the IMF expected global GDP to contract by 3.3% in 2020 compared with 2019, with EMDCs declining by 2.2% and Advanced Economies (AEs) contracting by 4.7%. The IMF expected the global trade volume in 2020 to decline by 8.9% and UNCTAD projected a fall of 42%[12] in global Foreign Direct Investment (FDI).

Countries around the globe responded with rapid and massive stimuli amounting to 13.5% of global GDP, which supported a gradual recovery in economic activity in the second half of 2020. The GDP growth of most major economies turned positive in Q3 2020; global trade and investment into emerging economies improved; and major financial market indices and some commodity prices surpassed the level before the pandemic. However, there remain significant uncertainties regarding the total containment of the pandemic and future economic development still faces severe challenges, such as divergence of financial markets and the real economy, the fragility of global supply chains, the infrastructure investment gap against the backdrop of elevated debt levels, and the rising inequality across income groups.

BRICS GDP in 2020 is expected to contract by 0.9%, lower than the average decline of EMDCs (2.2%) and AEs (4.7%).

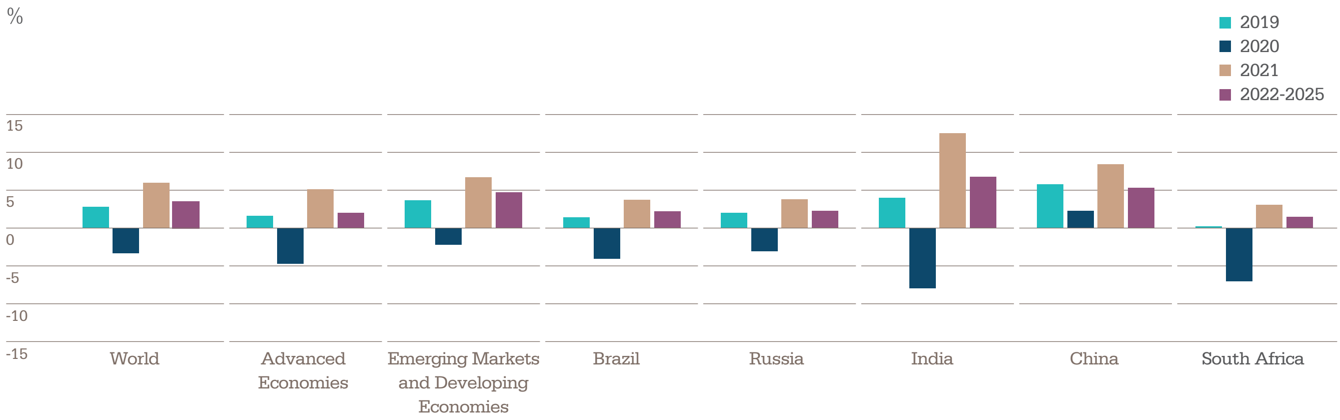
BRICS economies made great efforts battling against the pandemic and the resulted socio-economic impact by providing policy stimulus. On the basis of strong fiscal and monetary support, economic growth started to recover in Q3 for all BRICS, except China, which started rebounding in Q2. The IMF projects that BRICS economies will recover steadily in 2021 and maintain growth in the coming five years. Calculations predict that the BRICS economies would constitute a larger share of the global GDP in PPP than G7 countries from 2021.[14]

As a group of middle-income economies aiming to achieve sustainable development, BRICS countries continued making strategic development plans and promoting reforms amid the economic disruptions of 2020. Brazil continued its structural reforms, such as the approval of the New Sanitation Framework, and launched a Federal Development Strategy; Russia issued National Goals and Strategic Objectives to outline key development goals through to 2024; India introduced additional flexibilities to the labour market and launched a national programme to enhance infrastructure project management and policy framework; China promised to make its economy more environmental-friendly and to attain carbon neutrality by 2060, and pledged to invest in new infrastructure; South Africa proposed an Economic Reconstruction and Recovery Plan to improve the country's infrastructure and encourage private capital participation. These policies, if properly implemented, would boost BRICS' future development and the improvement of their people's livelihood.

Meanwhile, BRICS countries continue to be an important force of infrastructure investment. Estimates suggest that the world's total annual infrastructure investment is expected to reach USD 3.3 trillion in 2030 (an average growth of 1.9% from 2020 to 2030) and BRICS' share of the world's infrastructure spending would steadily increase in the coming decade, reaching 42% in 2030. This not only leads to ample business opportunities for NDB and other investors, but also brings bright prospects for sustainable development of BRICS economies.

11 Unless noted otherwise, data in this section are obtained from the World Economic Outlook, April 2021, International Monetary Fund (IMF). Indicators herein included reproduce authoritative statistics from different sources, as indicated, and the discussion content has no predictive intent or is meant to substitute for each member countries' official economic and financial agencies' documents.
12 FDI estimates are obtained from the UNCTAD Global Investment Trend Monitor, No. 38, 24 January 2021.
14 Data obtained from the World Economic Outlook, April 2021, International Monetary Fund (IMF).

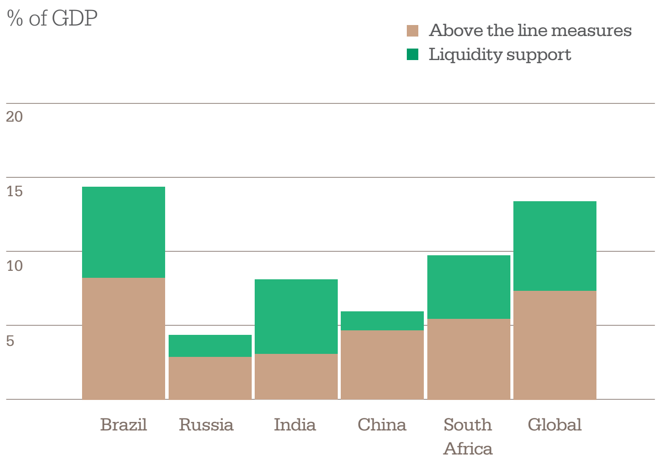
Real GDP growth



Source: World Economic Outlook, April 2021, International Monetary Fund, and NDB's staff calculations.

Note: For India, data and forecasts are presented on a fiscal year basis, with FY2020/2021 starting in April 2020. Brazil 2020 growth data is obtained from IBGE. South Africa 2020 growth data is obtained from the South African Reserve Bank.

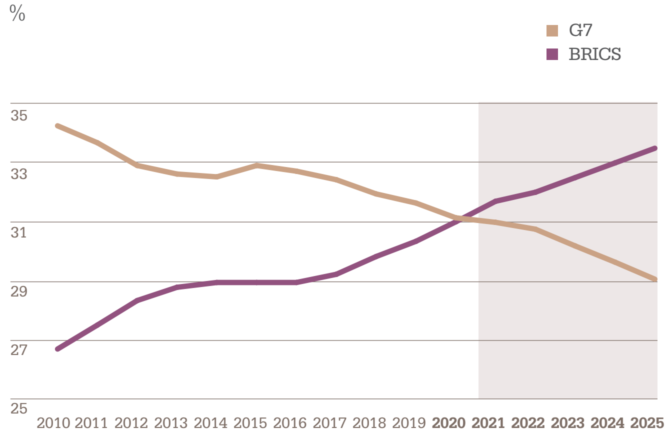
Fiscal measures in response to the COVID-19 pandemic



Source: Database of Country Fiscal Measures in Response to the COVID-19 Pandemic, International Monetary Fund (IMF). Data until 31 December 2020.

Note: 'Above the line measures' includes additional spending, foregone revenues, accelerated spending, and deferred revenues of the government; 'liquidity support' consists of equity injections, loans, asset purchase or debt assumptions, guarantees, and quasi fiscal operations.

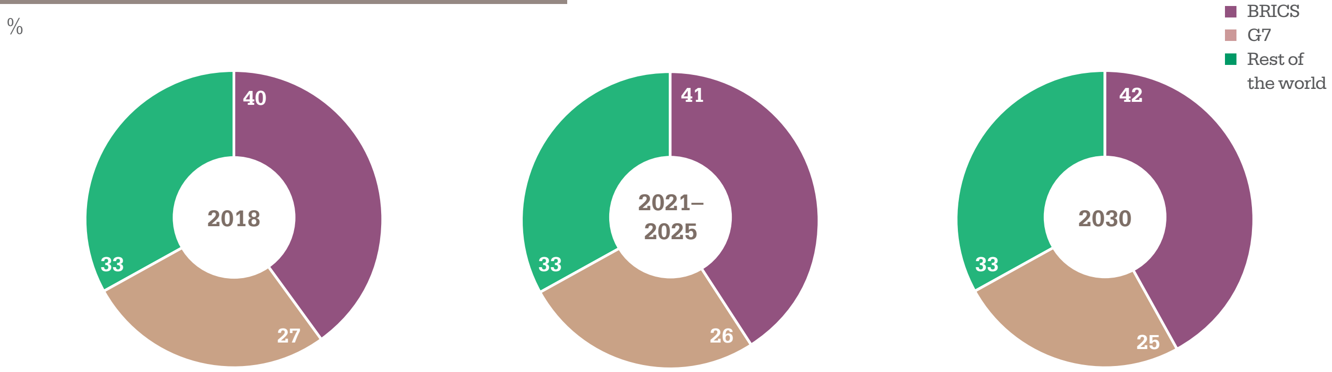
Share of world GDP in purchasing power parity: BRICS and G7



Source: World Economic Outlook, April 2021, International Monetary Fund.

Note: The shaded area represents projections.

Shares of global investments in infrastructure



Source: Global Infrastructure Hub; NDB's staff calculations.

Brazil

Brazil's GDP growth fell to -4.1% in 2020 from an average of 1.3% in 2017-2019, a lower decline than initially predicted[15]. The reduction is mainly attributable to private consumption, which accounts for more than 60% of Brazilian GDP, while investment constituted another downside factor. Net exports helped mitigate negative GDP growth, notably boosted by agribusiness exports.

To lessen the economic impact of COVID-19, the Brazilian Government announced a series of fiscal and monetary stimulus policies. The fiscal measures amounted to about 14.5%[16] of GDP, focusing on health spending expansion, temporary income support to informal and low-income workers, and credit-line guarantees to Small- and Medium-sized Enterprises (SMEs). The Central Bank of Brazil cut its policy rate by 225 basis points to an historical low of 2.0%[17] and increased liquidity in the financial system by adjusting reserve, collateral and capital requirements. These measures safeguarded the economy from further recessions. High-frequency indicators, such as the Economic Activity Index, have rebounded steadily since June. By Q4 2020, Brazil's GDP growth minimized its decline to -1.1 % year-on-year (yoy), from -3.9% in Q3[18]. In March 2021, the Central Bank of Brazil expected GDP to grow at 3.6% in 2021. The IMF projects Brazilian GDP growth of 3.7% in 2021 and 2.2% pa over 2022-25.

15 Data obtained from IBGE, Government of Brazil.
16 Database of Country Fiscal Measures in Response to the COVID-19 Pandemic, International Monetary Fund (IMF).
17 Data obtained from the Central Bank of Brazil. On March 17, 2021 the Central Bank of Brazil announced a 75 bps increase on its policy rate.
18 Data obtained from IBGE, Government of Brazil.

Infrastructure and other structural policies

The Brazilian Government continued its structural reforms in 2020 to facilitate sustainable economic development in the long horizon.

For instance, the Brazilian Bankruptcy Law was amended and new provisions address cross-border insolvency issues and accelerate the process of bankruptcy. The New Sanitation Framework introduced competition into the provision of basic sanitation services, such as water supply and sewage collection and treatment, by ensuring that all service suppliers, including state-owned enterprises, would go through the bidding process in future contracts, among other improvements. These reforms aim to help bring about universal access to sanitation services in Brazil by 2033 by attracting an estimated USD 134 billion of private investment.

In 2020, the Brazilian Federal Development Strategy for the period 2020 to 2031, the 'EFD 2020-2031,' was established, updating the previous national strategy to take account of COVID-19's social and fiscal consequences. The EFD 2020-2031 main directive is 'to increase the income and the quality of life of the Brazilian population, while reducing social and regional inequalities.' During this period, Brazil aims to move up from the 'high' Human Development Index (HDI) category to 'very high'. The EFD will be implemented along Five Axes (Economic, Institutional, Infrastructure, Environmental and Social) and its scenarios incorporate the 2030 Agenda and the Paris Agreement's commitments.

3.7%

IMF projected GDP growth in Brazil in 2021

USD 134 bn

Estimated amount of private investment to help the attainment of universal access to sanitation services in Brazil by 2033

The New Sanitation Framework introduced competition into the provision of basic sanitation services in Brazil

Russia

Russia's economy started off the year by growing 1.4% yoy in 2020 Q1, but in Q2 its real GDP contracted by 7.8% yoy. The mining, manufacturing, trade, transportation, and services sectors all experienced large declines, while the agriculture sector maintained positive growth in the second quarter.

The Russian authorities took active measures to mitigate the impact of the COVID-19 outbreak on the economy. The Central Bank of Russia cut the key policy rate to 4.25%, its lowest level since 1992. It also temporarily relaxed banking regulations and introduced measures to support lending to SMEs. The Russian government implemented a set of fiscal policies to counteract the economic impact of COVID-19. These included increasing unemployment benefits, stabilising interest payments on SME loans, and deferring tax payments and reducing social contributions for firms in the affected sectors. Supported by these stimulus measures, Russia's GDP growth decline decelerated to -3.5% yoy in 2020 Q3, ending the year with -3.1% yoy in 2020. In February 2021, the Bank of Russia forecast Russian GDP to grow in 2021 in the range of 3.0-4.0%. The IMF projects Russian annual GDP growth of 3.8% in 2021 and 2.3% pa over 2022-25.

3.8%

IMF projected GDP growth in Russia in 2021

Infrastructure and other structural policies

In 2020, the Russian Government formulated a series of policies to support economic recovery and promote long-term economic growth.

In September 2020, the Government of the Russian Federation (GoRF) approved the National Plan for Recovery of Employment, Income of the Population, Economic Growth and Long-Term Structural Changes in the Economy, the 'National Plan for Recovery'. The plan focuses on the strategic development of the country against the backdrop of the pandemic. With a total estimated cost of about RUB 6.4 trillion (USD 86 billion), this comprehensive plan aims to

- restore employment and purchasing power,
- support individuals and SMEs,
- launch a new investment cycle,
- improve business environment,
- accelerate technological development of the economy, and
- boost exports.

All actions envisaged by the National Plan for Recovery are expected to be completed by 2021 under a three-stage approach:

i) Adaptation stage: until the end of September 2020. GoRF concentrated its efforts on stabilisation of real income growth and containment of recessionary trends in the economy;

ii) Recovery stage: October 2020-June 2021. Economic recovery is expected to begin with GDP and real incomes showing signs of growth; and

iii) Active growth stage: July-December 2021. The economy will shift to a sustainable growth rate of not less than 3.0% yoy.

In 2020, the Russian Government formulated a series of policies to support economic recovery and promote long-term economic growth

India

India's GDP is estimated to decline 8.0% in the fiscal year ending March 2021,[19] the first contraction since 1980. The manufacturing sector faced the largest impact, followed by the service sector, while the agricultural sector maintained moderate growth.

The Indian Government rapidly responded to these challenges with fiscal and monetary policy tools. The Reserve Bank of India (RBI) cut its policy rate twice in Q2 2020 and ensured the functioning of the credit market through various quantitative measures. The Ministry of Finance implemented several stimulus packages to ensure people's basic livelihood, support employment and business, and boost aggregate demand. These measures mitigated the economic impact of the pandemic. High-frequency indicators, such as the Industrial Production Index and petroleum consumption, started to rebound in May 2020. The Indian economy gradually recovered as the new daily COVID-19 cases subsided, business reopened and external demand resumed, attaining a positive growth rate of 0.4%[21] yoy in Q4 2020. In February 2021, the RBI projected that India's GDP growth would rebound to 10.5% in FY22 (April 2021 to March 2022). The IMF projects Indian annual GDP growth would attain 12.5% in FY22 and 6.8% pa over FY23-26.

19 According to the latest estimates of the National Statistics Office (Second Advance Estimates, February 2021).
21 Expenditure-based estimation; data obtained from National Statistics Office, Government of India.

Infrastructure and other structural policies

In 2020, the Indian Government launched a series of structural reforms to facilitate sustainable economic development for the long term.

For instance, three new labour market bills passed in 2020, together with the Codes on Wages in 2019, merged 29 major labour laws at the national level. The new legislation expanded the social security net for both formal and unorganised workers while allowing additional flexibility in hiring and retrenchment for enterprises. These reforms aim to boost the efficiency of industrial sector and enhance the welfare of informal employees.

The Indian Government also continued its support for infrastructure projects. In addition to providing financial resources, the government launched in 2020 the National Programme and Project Management Policy Framework (NPMPF), emphasising the accountability, monitoring, transparency and anti-corruption in infrastructure investments. It aims to bring reforms to the way infrastructure projects are executed in India.

12.5%

IMF projected GDP growth in India in FY22 (April 2021 to March 2022)

3

New labour market bills passed in 2020 at the national level

China

The Chinese economy witnessed the sharpest quarterly drop of 6.8% yoy in Q1 2020, from a 5.8% expansion in Q4 2019. To support economic recovery, China acted early to provide policy stimulus to manufacturing, services and retail sectors, through fiscal, monetary and social insurance tools. GDP growth rebounded, leading to a 2.3% yoy growth in 2020. But economic recovery remained uneven, reflected in the relatively slower growth in private sector investment and household consumption, compared to the surge in public investment and export sector. The IMF expects China's annual GDP to grow at 8.4% in 2021 and 5.3% pa over 2022-25.

According to the IMF, USD 904 billion (6.0% of GDP) of discretionary fiscal measures have been announced since the COVID-19 outbreak.[22] Fiscal support was mainly directed towards firms, financial institutions, and public investment, whereas direct transfers to households were relatively limited. On the monetary side, the People's Bank of China employed both price and quantitative policy tools to ensure adequate liquidity and support credit expansion. Policy stimulus moderated since mid-2020 to avoid the build-up of leverage and fiscal risks.

8.4%

IMF projected GDP growth in China in 2021

USD 1.4 trn

Proposed investment on 'new infrastructure' including 5G networks and industrial internet

Infrastructure and other structural policies

In 2020, China further advanced along the path to globalisation. On December 30th, EU and China agreed in principle on the Comprehensive Agreement on Investment (CAI). China also joined the Regional Comprehensive Economic Partnership (RCEP). In addition, China is actively considering joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), according to the annual Central Economic Work Conference, which laid out economic plans for 2021.

With respect to long-term growth, China outlined its 14th Five Year Plan (2021-25) and longer-term targets (2021-35), which pledge the country will reach the high income threshold by 2025, and increase its per capita GDP to medium level of developed countries by 2035. The Five-Year Plan emphasises sustaining high-quality growth through innovation and reform. In September 2020, China announced its commitment to attaining carbon neutrality by 2060. In 2020, infrastructure investment provided critical counter-cyclical support to China's economic recovery. China continues to promote investment in new infrastructure as outlined in the 2020 National People's Congress. USD 1.4 trillion investment is proposed on new infrastructure, which includes seven key areas: 5G networks, industrial internet, inter-city transportation and rail system, data centres, artificial intelligence, ultra-high voltage power transmission and new-energy vehicle charging stations.

22 Database of Country Fiscal Measures in Response to the COVID-19 Pandemic, International Monetary Fund (IMF).

In September 2020, China announced its commitment to attaining carbon neutrality by 2060

South Africa

The South African real GDP shrank by 7.0% yoy in 2020, recovering from a much larger drop in Q2 2020. The hit was broad-based in Q2: mining, manufacturing, construction, transport and communication, and trade sectors all saw large contractions.

The Government of South Africa (GoSA) responded to the COVID-19 shock with sizeable fiscal and monetary mitigation measures. The South African Reserve Bank (SARB) has reduced the policy rate by a total of 275 bps through December 2020. The central bank also injected liquidity through various policy tools, including reducing the lending rate on the standing facility and providing temporary relief on bank capital requirements. On the fiscal side, the government launched a large fiscal stimulus to provide social grants and unemployment benefits to households. The government also established a loan guarantee scheme and deferred tax liabilities for affected companies. South Africa's GDP growth eased to -4.1% yoy in 2020 Q4. In March 2021, SARB projected a GDP growth of 3.8% in 2021. The IMF projected GDP would attain annual growth of 3.1% in 2021 and 1.5% pa over 2022-25.

3.1%

IMF projected GDP growth in South Africa in 2021

ZAR 100 bn

Fund to improve the country's infrastructure and encourage private capital participation in infrastructure projects

Infrastructure and other structural policies

To address structural challenges facing the economy, the South African Government proposed an ambitious Economic Reconstruction and Recovery Plan in October 2020. It established a ZAR 100 billion infrastructure fund (USD 6.8 billion at end-2020 exchange rates) to improve the country's infrastructure and encourage private capital participation in infrastructure projects.

The GoSA also aimed to increase electricity generation capacity and achieve sufficient, secure and reliable energy supply within two years. Furthermore, the government earmarked ZAR 100 billion over the next three years to generate new jobs and help labour market recovery, which is expected to create 875,000 jobs in the 2020/21 financial year. The government will promote industrialisation through localisation and export promotion. Moreover, the government will pursue policy and regulatory reforms to reduce the cost of doing business and foster more inclusive growth. According to government projections, the implementation of this plan will increase the average annual GDP growth rate to 3% over the next ten years.

The South African Government proposed an ambitious Economic Reconstruction and Recovery Plan in October 2020

BRICS countries continue to be an important force of infrastructure investment

Rajasthan Water Sector Restructuring Project, India

NDB as a member of the development community

As one of the newest members of the development community, and in implementing the General Strategy: 2017-2021, the Bank has promoted partnerships and dialogue with international development organisations, national development banks, commercial banks, multilateral, regional and sub-regional institutions, bilateral development organisations, national development agencies and non-governmental organisations, among others.

By entering into Memoranda of Understanding with different partners and through a more active engagement in global, regional and bilateral forums, NDB would like to leverage its unique characteristics to contribute and play a leading role in shaping development finance in the 21st century. By gradually expanding its outreach and development network, including universities and think tanks, the Bank will continue to promote its role as a platform for international cooperation.

The unprecedented crisis of the COVID-19 pandemic called for the global development community to act quickly and jointly to respond to the common challenges facing the world's population. NDB's collaborative activities during the year reflected the global emergency context and the Bank's invigorated commitment to address the needs of its member countries in a time of crisis. In 2020, the Bank increased the joint financing of projects and engagement with multilateral initiatives, which are supported by NDB's policies.

The Bank approved five projects in 2020 that entail parallel financing with partner MDBs, amounting to USD 4.5 billion. Of this financing, USD 4 billion was approved under the Bank's COVID-19 emergency financing facility.

The Bank also approved close to USD 1.7 billion for five projects that entail on-lending through MDBs as well as national and regional development banks.

In cumulative terms, at the end of 2020 the amount of financing provided by NDB for projects that entailed parallel financing was USD 6.2 billion. On-lending operations stood at more than USD 2.8 billion. The Bank also provided USD 100 million for a single equity investment that involves co-investment with partner MDBs.

In December 2020, NDB was one of the 11 MDBs to launch, together with the International Monetary Fund (IMF), the first-ever joint report on financing the Sustainable Development Goals (SDGs).

5

Projects entailing parallel financing with partner MDBs approved in 2020 with a total amount of USD 4.5 billion

Read more

The Report on Financing the SDGs
The contributions of MDBs, can be found here.

NDB engaged in MDB-led platforms throughout the year. In June 2020, NDB entered into a Memorandum of Understanding related to the establishment of the Multilateral Cooperation Center for Development Finance (MCDF) and became a member of the Coordination Committee along with nine other international financial institutions. The Center will serve as a collaboration platform to foster high-quality infrastructure and connectivity investments for developing countries, through information and knowledge sharing, capacity building and project preparation activities.

NDB contributed to the flagship joint-event of MDBs held virtually in October in 2020, the Global Infrastructure Forum. The Forum was organised on a collaborative basis between MDBs and was hosted by the European Bank for Reconstruction and Development (EBRD). It brought together stakeholders from across the infrastructure community under the theme of Building a Resilient Future post COVID-19.

In November 2020, MDBs convened on the sidelines of the Finance in Common Summit to present their joint Paris Alignment approach. The presentation highlighted the progress by MDBs in developing implementation methods and operationalising their commitment to climate action in preparation for the 26th UN Climate Change Conference of the Parties (COP 26), to be held in November 2021.

Also in November, NDB joined nine other MDBs in signing the High-Level Joint Statement on Road Safety, which sets a firm commitment to an ambitious and integrated approach to road safety. The statement underlines the need for increased road safety action and multilateral cooperation to help countries achieve SDG 11 and the 2030 decade of action's goal of 50% reduction in road fatalities and injuries worldwide.

In December 2020, NDB was one of the 11 MDBs to launch, together with the International Monetary Fund (IMF), the first-ever joint report on financing the Sustainable Development Goals (SDGs). The report describes the actions of the MDBs in support of the SDGs, including their collective efforts to support the global response to and recovery from the COVID-19 pandemic.

Going forward, NDB will enhance its engagement with the development community by building and leading development networks with a view to improving the quality of development projects based on sound and forward-looking development policy.

50%

2030 decade of action goal for a reduction in road fatalities and injuries worldwide

USD 1.7 bn

Approved in 2020 by the Bank for five projects that entail on-lending through MDBs as well as national and regional development banks

NDB would like to leverage its unique characteristics to contribute and play a leading role in shaping development finance in the 21st century.

Membership expansion

NDB was established to be an institution of global scope. The Bank's membership is open to all members of the United Nations. Membership expansion will strengthen NDB's role as a global development finance institution and further contribute to the mobilisation of resources for infrastructure and sustainable development in BRICS and EMDCs. Following the initial years of designing policies, developing internal capacity and building a project portfolio, NDB reached a stage in which it is ready to welcome new members.

After the 12th BRICS Summit and the publication of the Moscow declaration in 2020, the Board of Governors aurthorised Management to start formal negotiations with a group of prospective new members. A taskforce was established to provide technical support to Management in their engagements. The negotiation phase has been proceeding gradually and in a way that is supportive of NDB's credit rating and institutional development.

New members – from a geographically balanced mix of countries, of different sizes and at different stages of development – will contribute to raising the profile of the Bank and its international standing. They will help to reduce portfolio concentration while strengthening NDB's financial position and the Bank's credit rating. Further, NDB will be able to leverage the experience of more countries in project design and implementation.

NDB's envisaged expansion is an investment in the future of global governance. New members will share a platform with major emerging economies that lead conversations on the future of development and finance. In addition, borrowing members could benefit from NDB's streamlined provision of development resources based on the use of country systems.

Talent-centred institutional building

A whole-of-institution approach to talent

NDB will strengthen its operational capacity by focusing on being a talent-intensive institution with skilled professionals.

Employees by gender

As at December 31, 2020

114	71
Male	**Female**
2020: 114 (62%)	2020: 71 (38%)
2019: 99 (61%)	2019: 62 (39%)

Employees by category

As at December 31, 2020

5	172	8
President and Vice-Presidents	Full-time staff	Short-term consultants and outsourced staff

In the next five years, NDB aims to raise its profile in the international development community by achieving higher standards of professionalism and maximising its development impact. NDB will strengthen its operational capacity by focusing on being a talent-intensive institution with skilled professionals. As human talent rises to be the indispensable factor of production, NDB must be ready to cope with what the future has in store.

NDB's human resources strategy seeks to ensure that the Bank attracts, nurtures and retains motivated and talented people who are committed to the Bank's mandate and strategic goals, and add value to the Bank's day-to-day work. As at the end of 2020, the Bank's human resources totalled 185 people, including 172 staff members, five management members, seven short-term consultants and one outsourced member of staff.

NDB's career opportunities continued to attract strong interest in 2020, with 24 job openings generating a total of 2,372 job applications from its member countries. The NDB's total on-boarded headcount increased by 15% in 2020 even with temporary hiring suspension for a few months due to COVID-19. NDB enhanced its recruitment process by moving towards the usage of technology-driven tools, including the adoption of a new online and virtual induction programme.

The Bank is in the process of building a team of young high-achieving individuals who do not refrain from challenging the status quo and generate new ideas and approaches. NDB conducted a round of entry-level staff recruitment in 2020. NDB's young workforce, aged 32 or under, accounted for almost 25% of the Bank's staff by the end of 2020. NDB continues to place an emphasis on gender balance, recruiting and retaining female staff members at all levels. At the end of 2020, women accounted for 38% of the Bank's headcount.

Talent is about people, ideas and collaboration. NDB and its staff are committed to playing an active role in debating the drivers defining the global economy and development. The NDB THINKLAB is an invaluable tool in equipping the talent-intensive professional of a 21st century development institution. It consists of a series of interactions with global thought leaders. The NDB THINKLAB examines cross-cutting topics related to the Bank's activities, operating context and future trends in development. It fosters knowledge and debate, strengthens the institution's sense of purpose, stimulates an open discussion environment and enhances collaboration with partners and within the Bank.

To make NDB a talent-intensive institution and enhance NDB's comparative advantage in the development finance landscape, a Talent Management Division was created in December 2020, under the Human Resources Department. An institution of multi-talented individuals will have the ability to work across different areas of the Bank and contribute to a variety of initiatives and projects together with specialised professionals. Stepping up learning and training opportunities is an important commitment within the Bank's human resources agenda.

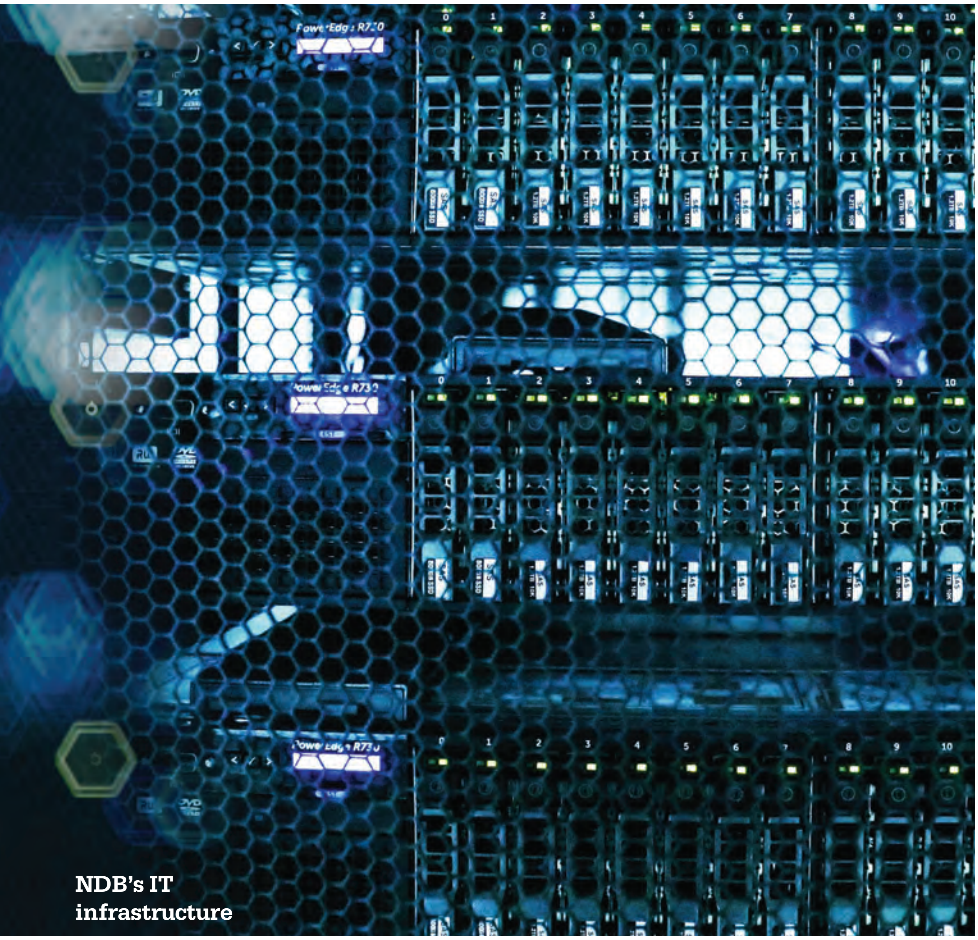
A lean institution: the role of information technology

Leveraging information technology to better function and to better serve its member countries and its clients is part of NDB's strategy and practice since day one. As a newly built institution, the Bank has been able to leapfrog into the cloud-first approach, which entails the provision of multiple IT management services via cloud solutions.

This approach allows for further adaptability as NDB moves forward. It also requires a permanent focus on risk assessment and information security capabilities. During the COVID-19 pandemic, NDB's cloud-based system has allowed NDB's staff to connect and work remotely as needed, ensuring a smooth continuity of the Bank's activities during the initial stages of the global outbreak.

In 2020, the implementation of NDB's strategy in information technology continued the permanent upgrade of its internal and external services. Some highlights were:

- Progress in the implementation of the electronic document interchange solution;
- Enhancements in the loan management solution;
- Improvements in IT security solution for the user identity, governance and access administration;
- Implementation of the privilege access management solution for increasing IT security.


NDB's IT infrastructure

During the COVID-19 pandemic, NDB's cloud-based system has allowed NDB's staff to connect and work remotely as needed, ensuring a smooth continuity of the Bank's activities.