
**MINUTES OF THE TWENTY FIRST MEETING OF THE BOARD OF DIRECTORS OF
THE NEW DEVELOPMENT BANK HELD AT SHANGHAI, CHINA, ON SEPTEMBER 12,
2019 AT 09:00**

PRESENT:

Directors and Alternate Directors

- i. Mr. Sergei Storchak (Director for Russia, Chairperson)
- ii. Mr. K. Rajaraman (Director for India)
- iii. Mr. Wencai Zhang (Director for China)
- iv. Mr. Qiangwu Zhou (Alternate Director for China)
- v. Mr. Enoch Godongwana (Director for South Africa)
- vi. Mr. Rodrigo de Oliveira Godinho (Temporary Alternate Director for Brazil)
- vii. Mr. K. V. Kamath (President and Board Member)

Advisors and Other Participants Accompanying Directors

- i. Ms. Elena Zamorina, Consultant, Department for International Financial Affairs, Ministry of Finance, Russia
- ii. Mr. Yuanjie Yang, Director, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- iii. Ms. Rui Jin, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- iv. Mr. Yazhou Yan, Staff Member, Division IFI IV, Department of International Economic and Financial Cooperation, Ministry of Finance, China
- v. Mr. Andile Kuzwayo, Director, BRICS, Global and Emerging Market, International and Regional Economic Policy, 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. Ms. Yolande Dwarika, Chief, 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. Roman Novozhilov, Chief, Operations Policy and Project Support
- vii. Mr. Manish Singh, Chief, Human Resources
- viii. Mr. Henrique Araujo, Principal Professional, Operations I
- ix. Mr. Garvit Sah, Principal Professional, Operations I
- x. Ms. Charmaine Kazamula, Senior Professional, Operations II
- xi. Ms. Nokuthula Mabuza, Senior Professional, Operations II
- xii. Mr. Jianshi Yao, Senior Professional, Operations I
- xiii. Ms. Vivian Ramathuba, Senior Professional, Africa Regional Centre
- xiv. Mr. Fabio Batista, Executive Assistant to CRO
- xv. Mr. Qingwei Meng, Professional, Strategy and Partnership
- xvi. Mr. Akhil Kumar, Professional, Operations II
- xvii. Mr. Tulio Koji Takeda, Professional, Operations II
- xviii. Mr. Aleksei Kretov, Young Professional, Operations II
- xix. Mr. Ninad Rajpurkar, Young Professional, Operations I

1. Adoption of the Agenda

The agenda (2019-BD21-DOC-001-REV3) was adopted by the Board of Directors (“Board”).

2. Leave of Absence

The absence of the Director for Brazil was recorded. The Director for Brazil was represented by a Temporary Alternate Director. The meeting had the requisite quorum.

3. Approval of Minutes and Summary of the 19th Board of Directors Meeting held on June 25, 2019 and Minutes and Summary of the 20th Virtual Board of Directors Meeting held on August 20, 2019

The Board approved the Minutes (2019-BD21-DOC-003-REV1) and Summary (2019-BD21-DOC-004-REV1) of the 19th Board of Directors Meeting held on June 25, 2019. The Board approved the Minutes (2019-BD21-DOC-005) and Summary (2019-BD21-DOC-006) of the 20th Virtual Board of Directors Meeting held on August 20, 2019, as amended.

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 19th Meeting (2019-BD21-DOC-007) and took note thereof.

5. Matters Arising from Previous Meetings

The Board considered and took note of the Matters Arising from the 19th Board of Directors Meeting (2019-BD21-DOC-008-a) and the Matters Arising from the 20th Virtual Board of Directors Meeting (2019-BD21-DOC-008-b).

6. Policies

a. Policy on Loans to International Organisations

The Board considered the Note on Policy on Loans to International Organisations (2019-BD21-DOC-009-a) and the Policy on Loans to International Organisations (2019-BD21-DOC-009-b) and approved the revised Policy on Loans to International Organisations.

b. Revised Policy on Loans with Sovereign Guarantee

The Board considered the Note on Proposed Revisions of the revised Policy on Sovereign Loans and Loans with Sovereign Guarantee (2019-BD21-DOC-010-a), the revised Policy on Sovereign Loans and Loans with Sovereign Guarantee in track-change mode (2019-BD21-DOC-010-b) and the revised Policy on Sovereign Loans and Loans with Sovereign Guarantee in clean version (2019-BD21-DOC-010-c). The Board approved the revised Policy on Sovereign Loans and Loans with Sovereign Guarantee and requested that the amendments be reviewed after one year of implementation.

c. Revised Staff Compensation and Benefits Policy

The Board considered the Cover Note on Additional Amendments to the Staff Compensation and Benefits Policy (2019-BD21-DOC-011-a), the revised Staff Compensation and Benefits Policy in track-change mode (2019-BD21-DOC-011-b) and the revised Staff Compensation and Benefits Policy in clean version (2019-BD21-DOC-011-c). The Board approved the revised Staff Compensation and Benefits Policy, as amended.

7. Project Proposals

a. Loan of ZAR 7 billion Guaranteed by the Government of the Republic of South Africa to South African National Roads Agency SOC Limited for National Toll Roads Strengthening and Improvement Programme

The Board considered the project document on the proposed Loan of ZAR 7 billion Guaranteed by the Government of the Republic of South Africa to South African National Roads Agency SOC Limited (“SANRAL”) for National Toll Roads Strengthening and Improvement Programme (2019-BD21-DOC-013) and approved the project proposal.

Resolution 2019-BD-R036 concerning the aforementioned project was adopted.

b. Loan of USD 300 million without Sovereign Guarantee to Eurasian Development Bank for Renewable Energy Sector Development in Russia

The Board considered the project document on the proposed Loan of USD 300 million without Sovereign Guarantee to Eurasian Development Bank for Renewable Energy Sector Development in Russia (2019-BD21-DOC-015-REV1) and approved the project proposal.

Resolution 2019-BD-R037 concerning the aforementioned project was adopted.

c. Loan of USD 323 million to the Republic of India for Andhra Pradesh Roads and Bridges Reconstruction Project and Loan of USD 323 million to the Republic of India for Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project

The Board considered the project document on the proposed Loan of USD 323 million to the Republic of India for Andhra Pradesh Roads and Bridges Reconstruction Project and the proposed Loan of USD 323 million to the Republic of India for Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project (2019-BD21-DOC-015-REV1) and approved the project proposal.

Resolution 2019-BD-R038 concerning the aforementioned projects was adopted.

8. Project Proposal Status Update and Project Pipeline

a. Project Status Update

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

- a. Fundo Clima Project (2019-BD21-DOC-016-a-REV1);
- b. Huangshi Modern Tram Project (2019-BD21-DOC-016-b);
- c. Porto São Luís Project (2019-BD21-DOC-016-c-REV1);
- d. Vale Logistics Project (2019-BD21-DOC-016-d-REV1);
- e. Mizoram Tuirini Small Hydro Project (2019-BD21-DOC-016-e);
- f. Indore Metro Rail Project (2019-BD21-DOC-016-f-REV1); and
- g. REC Renewable Energy Project (2019-BD21-DOC-016-g-REV1).

b. Project Pipeline

The Board considered the Project Pipeline (2019-BD21-DOC-017) and took note thereof.

9. Quarterly Project Implementation and Disbursement Report

The Board considered the Quarterly Project Implementation and Disbursement Report (2019-BD21-DOC-018) and took note thereof.

10. Quarterly Report on Project Procurement in Non-Member Countries

The Board considered the Quarterly Report on Projects regarding Procurement in Non-Member Countries (2019-BD21-DOC-019) and took note thereof.

11. Update on Funding Programme

The Board considered the NDB Funding Progress Update (2019-BD21-DOC-020-REV1) and took note thereof.

12. Local Currency Non-Sovereign Loan Pricing Framework

The Board considered and approved the Local Currency Non-Sovereign Loan Pricing Framework (2019-BD21-DOC-021-REV1).

13. Update on Credit Rating Process

The Board took note of the update on the credit rating process.

14. Membership Expansion

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

15. Memorandum of Understanding between the New Development Bank and the African Development Bank

The Board considered the Note to the Board on the Memorandum of Understanding between the New Development Bank and the African Development Bank (2019-BD21-DOC-027). The Board recommended that the Board of Governors authorise the Management to conclude the Memorandum of Understanding between the New Development Bank and the African Development Bank.

16. 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 12th Meeting of the ARC. The Board approved:

- a. The Audited Financial Statements for the New Development Bank for the period ended June 30, 2019;
- b. The Audited Financial Statements for the Project Preparation Fund of the New Development Bank for the period ended June 30, 2019; and
- c. The proposed revisions to the Whistleblower Procedure.

The Board also took note the following:

- a. The Risk Management Report for the period ended June 30, 2019;
- b. The Compliance Update;
- c. The Status of Audit Observations Reported from Previous Audit Reports;
- d. The Internal Audit Report of Treasury and Portfolio Management for the period ended March 31, 2019; and
- e. The Internal Audit Report of Lending and Operations and Human Resources for the period end June 30, 2019.

17. 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 7th Meeting of the BHRC. The Board of Directors approved:

- a. The Children Education Allowance be extended to any city of the country of posting in accordance with the limit set for the city of posting;
- b. The Annual Base Salary, Supplementary Allowance and Children Education Assistance Allowance for Regional Office in Russia, as amended in line with (a) above;
- c. The Children Education Assistance Allowance in the African Regional Centre, as amended in line with (a) above; and
- d. The Home Travel Benefit for Professional Staff, as amended.

The Board also took note of the following:

- a. The Overview of Budget Utilisation for the period ended June 30, 2019;
- b. The Recruitment and Diversity Update;
- c. The recruitment progress of the Director General and Corporate Secretary;
- d. The Procedure and Criteria for the Election of President and Appointment of Vice-Presidents; and
- e. The Ethics Update.

The Board requested further revision to the Criteria of the Election of the President and Appointment of Vice-Presidents and the Procedure and Timeline for the Election of President and Appointment of Vice-Presidents.

18. Board of Directors Work Plan

The Board considered the Tentative NDB Board Workplan (2019-BD21-DOC-028) and took note thereof.

19. Date and Venue of the Next Meeting

The Board tentatively agreed that the next Board meeting take place in early December in Shanghai, China, followed by a Board familiarisation project visit in Fujian Province of China.

20. Any Other Matters

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