

# Chair's Summary of Meeting of the Board Directors

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31 October 2005

## **BANGLADESH: COUNTRY STRATEGY AND PROGRAM (2006–2010):**

1. Directors endorsed the Bangladesh Country Strategy and Program (CSP) for 2006–2010. They noted that the CSP was comprehensive and well prepared, specifically noting (i) the assessment of Bangladesh's socio-economic progress and priority development challenges that continue to require external assistance; (ii) the joint strategic approach with three other development partners (DFID of the United Kingdom, Government of Japan and the World Bank) with the results framework, which promotes harmonization and aid effectiveness, enhanced leverage for policy dialogue, reduced transaction costs for the Government, and sharpened sector focus of ADB's CSP; (iii) the linkage of the CSP with key outcomes of the Bangladesh national poverty reduction strategy (NPRS) and the Millennium Development Goals (MDGs); (iv) incorporation of the Country Assistance Program Evaluation (CAPE) recommendations; and (v) ADB's proposed interventions in sector and core governance.

2. Directors appreciated the joint strategic approach and some urged that ADB replicate it in other developing member countries (DMCs), if possible. Directors also stressed the importance of ensuring that other development partners are not excluded from participating in the harmonized approach to support the Bangladesh NPRS. Some Directors requested that ADB further strengthen its engagement with the private sector and civil society, given their critical role in Bangladesh's past and future achievements. Several Directors inquired about the extent of collaboration and integration of activities between ADB's public and private sector initiatives in Bangladesh, in light of the critical need to promote private investments to accelerate economic growth.

3. Despite the significant reduction in the number of sectors proposed under the new CSP, some Directors noted that ADB was still involved in too many sectors, and proposed that exit strategies from some sectors be prepared during the next CSP to further narrow ADB's sectoral coverage. Some Directors underlined the need for further strengthening the risks analysis and taking adequate mitigation measures in the course of CSP implementation, to include, among others, sectoral risks and the risks arising from the weak governance and the forthcoming elections.

4. Directors appreciated ADB's continued support to improving sector and local governance, and the scaling-up of support on core governance, in collaboration with other development partners, especially in efforts on anti-corruption, civil service reform and capacity building. With regard to the sector wide program approach (SWAp) being applied in the education and health sectors, some Directors urged that the SWAp modality be applied in other sectors. Several Directors noted ADB's success in gender mainstreaming in its assistance programs, but one Director expressed concern on the recent reversal of the Government's gender policy. Several Directors inquired about the economic impact of the phase-out of the Multi-Fiber Arrangement (MFA) at the start of 2005, given the importance of garment exports to Bangladesh's economy.

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5. In response, staff appreciated the Directors' support throughout the CSP preparation process, as one of the first batch of CSPs involving the Board from upstream stages. Staff also responded to the comments and queries made by the Directors. These include (i) the critical importance of ADB's continued support to the Government to improve governance and combat corruption; (ii) the implementation of the CSP through concerted efforts and close partnership with all the other stakeholders; (iii) the need for the joint strategic partners to enhance collaboration with other development partners on any specific initiatives; (iv) the close coordination of ADB's public and private sector initiatives in Bangladesh; (v) the need for continued support to NPRS and CSP regardless of a change in Government following the elections; (vi) various risks which have to be addressed during CSP implementation, and (vii) the importance of easing infrastructure bottleneck for the export of garments to remain robust in the post-MFA era.