

# Chair's Summary of Meeting of the Board of Directors

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15 January 2008

## Working Paper on Increasing the Impact of the Asian Development Bank's Technical Assistance Program

1. The Board discussed the working paper and generally supported the proposed approach. The Board appreciated the frank analysis and the comprehensive approach – comprising strategic planning, quality design, enhanced implementation and supervision support, coherent knowledge management, increased ownership and better internal management. The Board also appreciated the attempt to redirect the emphasis from resource allocation and processing procedures towards strategic use of TA, effective quality enhancement, and implementation. A few Directors questioned whether, in spite of the proposed reallocation of resources, the impact would indeed be resource-neutral. A Director also suggested the Bank should develop greater in-house capability to deliver TA.
2. Most Directors welcomed the direction towards increased ownership and delegation of implementation to executing agencies (EA). Several Directors suggested that ADB should act faster on this than envisaged in the W-paper and develop a specific action plan for this purpose, possibly differentiating between DMCs and EAs with different levels of capacity. Some Directors suggested that ADB should help develop the EAs' capacity to administer TA, and local consulting capacity. A Director suggested the Bank consider opening procurement for TA to world wide access to increase the range of potential providers of consulting as a further reform.
3. There was general support for adopting a no-objection approach to the signing of TA letters. Some Directors suggested exploring the possibility of doing away with the TA letter by having memorandum of understanding during TA fact-finding signed by both EA and central government agencies.
4. A few Directors underlined the importance of TA for middle income countries. The use of TA loans and the possibility of a partial recovery of its costs or a fee for service were also mentioned.
5. Most Directors welcome the idea of a strategic forum and some asked the Management to consider ways to involve stakeholders, including the Board, in the process.

6. The proposal to increase the level of delegated approval authority of Management and staff was supported by most Directors. One Director suggested that levels could be even higher than proposed, while another Director opposed the increase in the delegation of approval authority indicating that the level should be such that the Board is able to exercise a reasonable level of oversight through direct approval of a share of the TA program or other alternatives. Some Directors suggested that percentage increases in ceilings should be consistent, including for small scale TA. Most Directors supported the emphasis on prioritized and streamlined thematic trust funds. Some Directors expressed concerns about the proposed bridge financing.

7. Directors noted that staff capacity to design and supervise TA implementation should be further strengthened. A few Directors suggested that effectiveness of the TA program should be measured on the aggregate, in addition to assessing individual TA activities.