

Chair's Summary of Meeting of the Board of Directors

16 June 2009

Enhancing ADB's Response to the Global Economic Crisis —Establishing the Countercyclical Support Facility

1. The Board of Directors discussed the R-paper on enhancing ADB's response to the global economic crisis—establishing the Countercyclical Support Facility (CSF). The R-paper recommended establishment of the CSF as a short-term budget support instrument for the crisis-affected ordinary capital resources-eligible countries, for loan approval in 2009–2010, with a total amount up to \$3 billion equivalent.
2. The Board approved the recommendations of the R-paper.
3. The Board discussions reflected a variety of views on the design of the facility. While some chairs commented that the proposed lending spread is excessive, other directors mentioned that the fee structure is too generous. Whereas a number of chairs supported elaboration made in the access criteria for CSF, some other chairs cautioned against relaxation of screening of the prospective loan proposals in the course of loan processing.
4. Many members of the Board proposed to increase frequency of the reporting related to the CSF implementation to the Board. Some members requested the Management to provide information about the demand for the facility once it becomes clear. Some chairs urged the staff to explore the possibility of expanding the size of the facility, beyond the current level of \$3 billion, and to review the status of ADB's equity-to-loan ratio towards the end of 2009. A number of chairs stressed the importance of ADB's prompt action to assist crisis-affected developing member countries.