

M51-08
15 December 2008

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
ASIAN DEVELOPMENT BANK HELD AT 10:00 A.M. ON 4 DECEMBER 2008**

PRESENT:

PRESIDENT:	Haruhiko Kuroda
VICE PRESIDENT:	C. Lawrence Greenwood, Jr.
DIRECTORS:	Phil Bowen Howard Brown Curtis S. Chin Md. Saad Hashim Kyung-Hoh Kim Ashok K. Lahiri Marita Magpili-Jimenez Michelle Miari Fulcis Sebastian Paust Masakazu Sakaguchi Ceppie K. Sumadilaga Wencai Zhang
ALTERNATE DIRECTORS:	Siew Juan Aw Md. Aminul Islam Bhuiyan Richard Edwards Fangyu Liu Dereck Rooker-Smith Tsuen-Hua Shih Joao Simoes de Almeida CJ (Stan) Vandersyp Yasuto Watanabe
THE SECRETARY:	Shyam Bajpai

STAFF:

Office of the Secretary: Roger A. Burston, Assistant Secretary

Office of the General Counsel: Jeremy H. Hovland, General Counsel

Southeast Asian Department: Jaseem Ahmed, Director (SEGF); Urooj S. Malik, Director (SEAE); Arjun Goswami, Country Director (CARM); James Nugent, Country Director (IRM); Christopher Morris, Senior Water Resources Engineer (SEAE); Tariq H. Niazi, Senior Public Sector Management Specialist (SEGF); Prasanna Jena, Governance Specialist (SEGF)

1.1 The Board considered and approved the Draft Minutes of the Meeting of 27 November 2008 (DOC.DM48-08).

2.1 The Board considered DOC.R273-08: Proposed Multitranche Financing Facility and Administration of Grant and Technical Assistance Grant—Integrated Citarum Water Resources Management Investment Program (Indonesia) and approved

- (i) the provision of loans under the multitranche financing facility in an aggregate principal amount not exceeding \$500,000,000 equivalent including (a) \$470,000,000 equivalent from ADB's ordinary capital resources, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; and (b) Special Drawing Rights 20,162,000 from ADB's Special Funds resources with an interest charge at the rate of 1.0% per annum during the grace period and 1.5% per annum thereafter; a term of 32 years, including a grace period of 8 years; and such other terms and conditions as are substantially in accordance with those set forth in the Framework Financing Agreement presented to the Board;
- (ii) the administration by ADB of a grant under the multitranche financing facility not exceeding the equivalent of \$3,800,000 to be provided by the Global Environment Facility, subject to final clearance of grant financing by the chief executive officer of the Global Environment Facility;

both to the Republic of Indonesia for the Integrated Citarum Water Resources Management Investment Program; and

- (iii) the administration by ADB of a portion of technical assistance (a) not exceeding the equivalent of \$5,000,000 to be financed on a grant basis by the Government of the Netherlands, and (b) not exceeding \$2,000,000 to be financed on a grant basis by the Multi-Donor Trust Fund under the Water Financing Partnership Facility, both to the Government of the Republic of Indonesia for Institutional Strengthening for Integrated Water Resources Management in the 6 Cis River Basin Territory.

3.1 The Board considered DOC.R274-08: Proposed Program Cluster and Loan for Subprogram 1—Second Local Government Finance and Governance Reform Program Cluster (Indonesia) and approved

- (i) the program cluster to the Republic of Indonesia for the Second Local Government Finance and Governance Reform Program; and
- (ii) the loan of \$350,000,000 equivalent to the Republic of Indonesia for subprogram 1 of the Second Local Government Finance and Governance Reform Program, from ADB's ordinary capital resources, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a term of 15 years, including a grace period of 3 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft Program Loan Agreement presented to the Board.

4.1 The Board considered DOC.R275-08: Proposed Program Cluster, Grant for Subprogram 1, and Grant Assistance—Public Financial Management for Rural Development Program (Cambodia) and approved

- (i) the program cluster to the Kingdom of Cambodia, for the Public Financial Management for Rural Development Program;
- (ii) a grant not exceeding \$6,710,000 to the Kingdom of Cambodia, from ADB's Special Funds resources, for subprogram 1 of the Public Financial Management for Rural Development Program, on terms and conditions that are substantially in accordance with those set forth in the draft Grant Agreement presented to the Board; and
- (iii) a grant not exceeding \$4,100,000 to the Kingdom of Cambodia, from ADB's Special Funds resources, for the Public Financial Management for Rural Development Project, on terms and conditions that are substantially in accordance with those set forth in the draft Grant Agreement presented to the Board.