

THE MINUTES OF THE [15 JUNE 2009](#) (DOC.M18-09, Final) BOARD MEETING WERE APPROVED AT THE [25 JUNE 2009](#) (DOC.M24-09, Final) BOARD MEETING. THE MINUTES OF BOTH MEETINGS MAY BE READ TOGETHER WITH THE MINUTES OF THE [17 JULY 2009](#) (DOC.M27-09, Final) MEETING.

M18-09, Final
26 June 2009

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
ASIAN DEVELOPMENT BANK HELD AT 10:00 A.M. ON 15 JUNE 2009**

PRESENT:

PRESIDENT:	Haruhiko Kuroda
VICE PRESIDENTS:	C. Lawrence Greenwood, Jr. Ursula Schaefer-Preuss Bindu N. Lohani
DIRECTORS:	Phil Bowen Howard Brown Md. Saad Hashim Kyung-Hoh Kim ¹ Ashok K. Lahiri Michele Miari Fulcis Masakazu Sakaguchi Ceppie K. Sumadilaga Eduard Westreicher Wencai Zhang
ALTERNATE DIRECTORS ACTING FOR DIRECTORS:	Paul W. Curry Siraj Shamsuddin
ALTERNATE DIRECTORS:	Siew Juan Aw Md. Aminul Islam Bhuiyan Fangyu Liu Tsuen-Hua Shih Joao Simoes de Almeida Yasuto Watanabe CJ (Stan) Vandersyp
THE SECRETARY:	Robert L. T. Dawson

¹ For part of the meeting.

STAFF:

Office of the Secretary: Zsi-Zsi Rachman, Principal Board Operations and Administration Specialist

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

South Asia Department: Kunio Senga, Director General; Tadashi Kondo, Country Director (INRM); Narhari Rao, Lead Professional (Country Economist) (SLRM)

Private Sector Operations Department: Carl Mats R. Elerud, Principal Operations Coordination Specialist (PSOC)

1.1 The Board considered and supported the India Country Partnership Strategy 2009–2012 (CPS) (DOC.Sec.M16-09 and Corrigendum 1) from the perspective of its economic development thrust and direction and without taking a position on the legal status of any territory or geographic region referred to in the document. The Board emphasized that ADB shall not interfere in the political affairs of any member and urged the Management to formulate guidelines for staff on dealing with disputed areas.

1.2 The People's Republic of China (PRC) did not endorse the CPS because ADB had not deleted all references to the disputed territory in the document to address the PRC's fundamental concerns. The PRC strongly opposed the Management's decision to discuss the India CPS and protested against ADB's interfering in the sovereign affairs of the PRC. The PRC stated that the disputed area, which is called "Monyul, Loyul and Lower Tsayul of Tibet" in the PRC and is called "Arunachal Pradesh" in India, has always been part of the Chinese territory. The PRC urged the Management to issue guidelines on dealing with ADB's activities in the disputed areas, with the provision, among others, that there will be no activity of ADB whatsoever in the disputed areas without agreement by all the claimants concerned. The PRC stressed that no operation shall be conducted by ADB in the above-mentioned disputed area.

1.3 Pakistan, echoing the People's Republic of China's concerns, emphasized the need for staff to be sensitive to disputed territories, etc. Insensitivity to such issues could not be condoned and documents issued by ADB should not actually be used to, or be perceived to be used to, make statements of a political nature. While supporting the call by the Board to issue staff guidelines for dealing with such cases, Pakistan wanted the guidelines to be framed in consultation with the Board. Pakistan further noted that they could go along with the economic and development dimension of the CPS but their no objection, in principle, to this is without prejudice to the Government of Pakistan's well known position on the issue of Jammu and Kashmir and the Government of the People's Republic of China's position regarding the disputed territory with India referred to in the CPS document.

1.4 In its response, India thanked the Board for its endorsement of the CPS² and stated that the CPS had already been delayed far too long and for no logical reasons. All the project related territories in the CPS are integral parts of India and the territorial integrity of India is sacrosanct. This is not the first time that ADB documents have referred to Arunachal Pradesh and in the past ADB and other Multilateral Development Banks have supported projects in Arunachal Pradesh. India stated that the CPS is not a political document and lays out only the contours of economic engagement. India sees no reason why a bilateral political issue with another member should be

² In accordance with Section 5(a) of the Rules of Procedures of the Board of Directors of the Asian Development Bank, the Chair had ascertained and announced to the meeting the sense of the meeting when he stated "I take it that there is support for the general development thrust and direction of this Country Strategy". Pursuant to Section 5(a), the Board shall be deemed to have acted in accordance with such announcement by the Chair.

made an excuse to delay a non-political engagement by ADB. India expects ADB to act strictly in accordance with its Charter and abstain from interference in the political affairs of member countries and evaluate proposals on economic criterion alone.