

# ASIAN DEVELOPMENT BANK

R94-75, Revision 1, Final  
30 October 1975

## REPLENISHMENT OF THE RESOURCES OF THE ASIAN DEVELOPMENT FUND: GOVERNORS' RESOLUTION

1. The Board has been informed from time to time of the progress of discussions with potential donors on a replenishment of the resources of the Asian Development Fund. The Bank's initial proposals in this regard were outlined in a Working Paper "Review of Resource Requirements of the Bank 1976-1980" (DOC Working Paper 4-75) dated 24 February 1975. In this Working Paper, it was proposed that the Bank should seek contributions from developed member countries in a total amount of US\$1,000 million, to cover the requirements of its projected program of concessional loans in the three-year period 1976-78. After consultation with the Board, the President convened a meeting of representatives of developed member countries in April, in conjunction with the Eighth Annual Meeting of the Board of Governors, to explain and discuss the Bank's proposals. At the Eighth Annual Meeting itself, the Board of Governors endorsed the action which had so far been taken, and requested the Board of Directors to report back as soon as possible with its findings and recommendations, for consideration and action by the Governors.

2. At the first meeting of potential donors, the response of many participants to the Bank's proposals was generally favourable, but some (including three of the major donors) made it plain that, in the prevailing circumstances, they would have considerable difficulties in undertaking commitments on the scale envisaged for them by the Bank. After that meeting, the President's Special Adviser, Sir John Chadwick, held further consultations with concerned countries. On 8 July 1975, he reported to the Board his conclusion that the target of US\$1,000 million was out of range, but that every effort should be made to achieve a reduced target which he tentatively fixed at about US\$835 million. (The full text of the Special Adviser's statement, including his analysis of the position of several potential donors, was later circulated to Board members.)

3. Subsequently, the President convened two further meetings of potential donors, in Washington on 30 August 1975 and in Brussels on 25 September 1975. At the Washington meeting, which was in the nature of a preparatory session for the meeting in Brussels, potential donors were asked to consider revised arrangements, for a replenishment in an amount of US\$830 million, to be allocated among all developed member countries of the Bank. Taking into account the discussions in Washington, a draft Governors' Resolution authorizing such a replenishment was then prepared, which was placed before the participants in Brussels.

4. The meeting in Brussels was attended by representatives of fifteen of the Bank's developed member countries. (France and Sweden, which did not participate in the initial ADF mobilization, were not represented.) After discussion, some changes were introduced in the draft Resolution, and the President was requested to present the text of the Resolution for the consideration of the Board of Directors so that, if they found it acceptable, they could recommend it to the Board of Governors for adoption. The draft Resolution, together with a draft Report of the Directors to the Governors which explains the salient provisions of the Resolution and the reasons for these provisions, is submitted to the Board of Directors herewith.

5. At the Brussels meeting, representatives of eleven of the Bank's developed member countries were able to indicate the intention of their governments, subject to any necessary legislative approval being obtained, to make the respective contributions indicated in the Table annexed to the draft Resolution. The countries in question were: Australia, Belgium, Canada, Denmark, Germany, Italy, Japan, the Netherlands, Norway, Switzerland and the United Kingdom. The representatives of Austria, Finland and New Zealand were not in a position to indicate whether their governments could participate in the replenishment, pending further internal consultations. The representative of the United States, while confirming his government's intention to participate, could not give at that time any commitment regarding what the amount of a United States' contribution to the replenishment might be. He reserved his government's right to seek an adjustment in the amount allocated to the United States in the Table attached to the Resolution, if the amount finally decided within his government to be appropriate for a United States' contribution should be different from US\$231 million. In view of this, the representative of Japan reserved the right for Japan also to keep under review the amount allocated to it in the Table, with the possibility of an adjustment downwards if total allocations were reduced.

6. A welcome feature in all the discussions outlined above was the general acknowledgement by participating governments that the need of the least developed of the Bank's developing member countries for assistance

on concessional terms is very great, and that the Bank has established that it is fully capable of putting to good use resources entrusted to it for the purpose of providing such assistance. The fact that it was possible, in Brussels, to reach agreement on a formula for further action was due, in no small measure, to the spirit of cooperation and willingness to compromise with which all participants approached the problems. The thanks of the Bank are due to all participants, and to the Belgian authorities who acted as hosts for the meeting.

7. The President recommends to the Board of Directors that the draft Report circulated with this paper be accepted and submitted to the Governors, together with the draft Resolution which is attached.