

Governance Cooperation Donor Meeting¹
ADB Headquarters, Manila
4-5 December 2003

1. On 4 December 2003, ADB made presentations² to the donors on: (i) GCF status within the context of ADB's Governance Policy and Medium Term Action Plan; (ii) progress and status of 3 approved GCF projects; (iii) experiences from implementing the poverty reduction fund; and the (iv) GCF Review Report.

2. Discussions were held immediately after each presentation. The donors also presented their governance policies and expectations of the GCF.³ The meeting was concluded on 5 December to wrap up and discuss the key issues arising from the presentations which were: (i) GCF reporting; (ii) how the GCF could be used more effectively for mainstreaming governance activities in the sector related work; and (iii) the focus of the GCF.

3. Below is a summary of the issues, agreements reached, actions and responsibility matrix arising from the meeting.

Issues/Points	Actions to be taken/Agreements reached	Responsibility
1. Mr. Heeswijk, DG, RSDD, advised the donors of the discussions in ADB for harmonizing procedures and reporting systems associated with trust funds.	Donors fully supported this approach and would be prepared to adopt harmonized reporting.	
2. Reporting		
i. Frequency of reporting	Financial reports are to be submitted to donors semi-annually. Project Progress Reports to be submitted annually.	R. Loi Project Officers and coordinated by GCF Secretariat in RSGR
ii. Content of annual reports	This report should provide a summary on how the GCF is being utilized within the context of the Governance Policy and ADB's priorities. The summary should be supported by project progress reports.	A. Newsum
iii. Progress reporting format	The specially designed project progress report ⁴ should be used.	A. Newsum
iv. Timing of circulation of annual reports	Annual reports to be submitted to donors 1 month before the scheduled consultation meeting	A. Newsum

¹ List of Participants is on Appendix 1.

² Program of Activities is on Appendix 2.

³ Donor's presentation of how it defines governance is on Appendix 3.

⁴ Progress Report template is on Appendix 4.

Issues/Points	Actions to be taken/Agreements reached	Responsibility
v. Other reports ⁵ may be made available on an “need only” basis	Agreed upon by donors and ADB	
3. Mainstreaming governance work Donors wish to see a greater emphasis on sector related initiatives where governance activities are targeted to address poverty reduction.	To be reflected in guidance issued for GCF applications	A. Newsum
4. Focus The GCF review recommended the need for the GCF to be focused on three themes Donors observed that very few of the successful GCF applications addressed issues concerned with governance activities that either created the enabling environment or contributed directly to poverty reduction. Donors also want the GCF to be used to support implementation of the Country Strategy and Program. Choice of themes	Donors agreed with this recommendation Donors wish to retain the primary focus as deepening and widening ADB’s work in improving governance to enable and contribute to poverty reduction in DMCs Donors have requested for a Paper on how future applications to the GCF could contribute towards achieving the poverty reduction objective of ADB. This will need to be made clearer in the applications and in reporting progress. The three themes to be selected would have to focus on enabling or direct poverty reduction governance initiatives.	A. Newsum GC Committee proposal for approval to DGs of regional departments and DG, RSDD
5. Timing for the consultation meeting; e.g., sometime November/December, or during the ADB Annual Meeting	Donors to provide a common date	Donors
6. GCF Review draft Final Report	ADB to provide donors on or before 12 December	A. Newsum
7. Feedback on the draft Final Report	Donors to provide comments by 23 December	Donors

⁵ Inception, monitoring, review and completion reports.

PARTICIPANTS LIST

Donors:

1. *Mr. Jean Couturier*
Senior Programme Manager
Multilateral Programmes Branch
Canadian International Development Agency
2. *Ms. Ingvild Belle*
Advisor Senior Executive Officer
Multilateral Bank and Finance Section
Norwegian Ministry of Foreign Affairs
3. *Ms. Ingrid Glad*
Assistant Director General
Multilateral Bank and Finance Section
Norwegian Ministry of Foreign Affairs
4. *Mr. Jens Haarloev*
Head of Division
Department for UN, Development Bank and EU's Development Cooperation
Ministry of Foreign Affairs, Denmark

ADB

1. Jan van Heeswijk, DG, RSDD
2. Asha Newsum, Principal Governance Specialist, RSGR
3. Riccardo Loi, Principal Cofinancing Specialist, OCO
4. Motoo Noguchi, Counsel, OGC – **was unable to present**
5. Clay Wescott, Principal Regional Cooperation Specialist, RSGR
6. Sonomi Tanaka, Senior Poverty Reduction Specialist, RSPR
7. Eric Manes, Senior Financial Economist, MKGF
8. Sandra Nicoll, Governance Specialist, MKGF
9. Caroline Heider, Principal Evaluation Specialist, OED2
10. Ayumi Konishi, Director, SEGF
11. Marilyn Collette, Senior Governance Specialist, RSGR

Attendees:

12. Paritha Tritasavit, Cofinancing Specialist, OCO
13. Liza Valmores, Administrative Assistant, RSGR

PROGRAM OF ACTIVITIES**4 December 2003**

Time	Activity	Presenter	Subject
9.00 – 9.15	Welcome and introductions	Jan van Heeswijk, Director General, RSDD	
9.15 – 9.40	GCF within the context of the ADB Governance Policy	Asha Newsum, Principal Governance Specialist, RSGR	The objectives and links to the medium term action plan
9.40 – 10.00	GCF Status Report: Financial, Administrative and Thematic	Ricardo Loi, Principal Cofinancing Specialist, OCO and Asha Newsum	Progress Reports from applicants, summary fiscal and technical reports
10.00 – 10.30	Donor Governance Strategies: key messages for ADB	GCF representatives from Canada, Norway and Denmark	10 minute briefings from each donor on their governance priorities and how this is reflected in the GCF
10.30-10.45	Coffee Break		
10.45 - 11.15	Progress Report on: Public Opinion Surveys on Judicial Independence and Accountability	Motoo Noguchi, Counsel, OGC	Progress Report and 10 minute PowerPoint presentation followed by discussion.
11.15 – 11.40	Progress Report on: Promoting Knowledge Transfer through Diaspora Networks	Clay Wescott, Principal Regional Cooperation Specialist, RSGR	Progress Report and 10 minute PowerPoint presentation followed by discussion
11.40 – 12.00	Sharing experiences from implementing the Poverty Reduction Funds (PRFs)	Sonomi Tanaka, Senior Poverty Reduction Specialist, RSPR	Feedback from the work-in-progress on the review of the PRFs

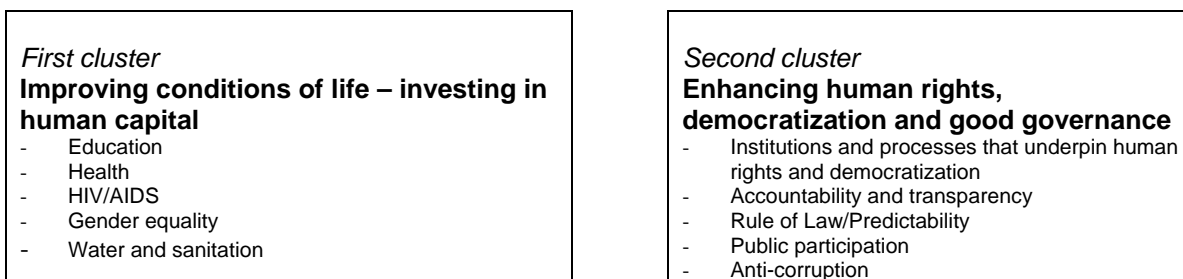
PROGRAM OF ACTIVITIES**4 December 2003**

Time	Activity	Presenter	Subject
13.30 – 13.50	Progress Report on: Strengthening Governance for Banking Sector Reform	Eric Manes, Senior Financial Economist, MKGF	Progress Report and 10 minute PowerPoint presentation followed by discussion
13.50 – 14.10	Progress Report on: Strengthening Accountability Mechanisms II – Thailand	Sandra Nicoll, Governance Specialist, MKGF	Progress Report and 10 minute PowerPoint presentation followed by discussion
14.10 – 14.40	GCF Review Key Findings and recommendations	Caroline Heider, Principal Evaluation Specialist, OED2 (Team Leader) and members of GCF Review Team	10 – 15 minute presentation followed by discussion
14.40 – 15.15	Wrap-up and next steps	Donors, OCO and RSGR	Discuss future funding sources for GCF
15.15 – 15.30	Ongoing review of governance and anti-corruption policies	Marilyn Collette, Senior Governance Specialist and Clay Wescott, Principal Regional Cooperation Specialist, RSGR	Timetable and approach

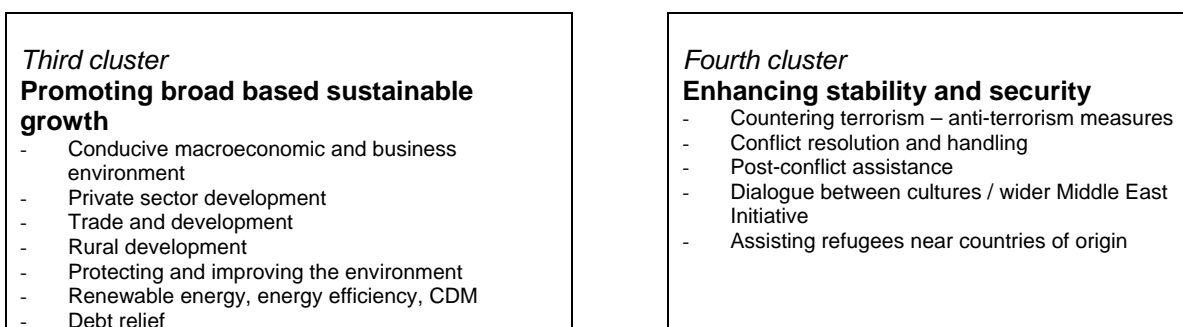
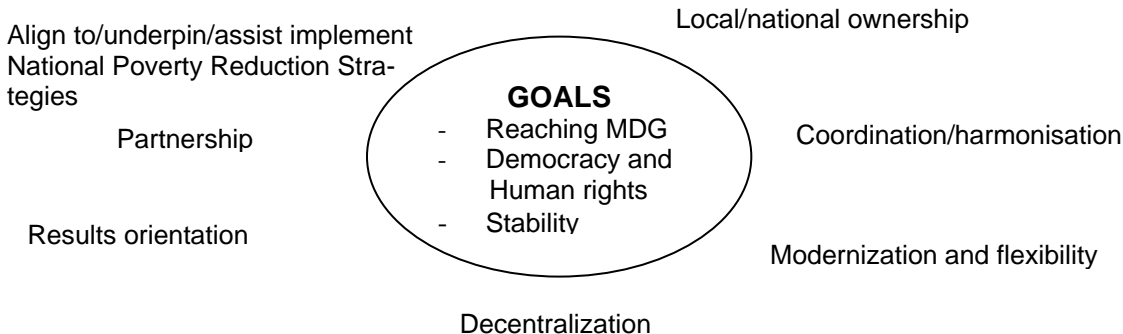
DONORS' DEFINITION OF GOVERNANCE

Denmark presented its policy on Good Governance (GG) in the context of its overall development policies. (See diagram, second cluster of instruments, below). On a GG platform from the beginning of the 1990's Denmark had moved to embrace democratization and human rights promotion as natural extensions of the GG concept. Anti-Corruption was considered a key element of GG, and a new anti-corruption strategy had just been released. Denmark was satisfied witnessing the Bank moving from a narrow economic definition of GG to a day to day relationship with borrowing countries that included (1) (political) dialogue on sector reform programs and budgets, (2) safeguard policies, for example towards indigenous peoples, (3) assisting legal reform and (4) strengthening corporate governance. Denmark encouraged the Bank to explore the relationship between development and human rights and possibly present a new legal opinion on the Charter Provisions on not-interference in political matters in the context of present day realities and requests from the DMCs of assistance in this area.

Good Governance in the context of Danish Development Policy



Working principles:



DONORS' DEFINITION OF GOVERNANCE

Governance Policy and Priorities from Norway include anticorruption, gender and governance, and results based management. It supports the strengthening of public institutions, broader participation in political decision making processes and administrative reforms that address corruption. It also supports measures that can contribute greater accountability in the public administration and the development of the judicial system.

Canada's priorities include improving governance structures, such as parliamentary and judicial systems; strengthening civil societies, including advocacy groups and community-based organizations; and promoting respect for human rights and democratic principles.

PROGRESS REPORT TEMPLATE

GCF Progress Report: (No more than three pages in Arial font 10 or 11 for each project)

Project Title:
Year Approved and GCF Contribution received Other funding secured
Project Officer and Department
Country/Countries Covered
Governance GCF Theme (please refer to guidance and GCF Board paper)
Implementing Agencies and brief description of institutional arrangements
Project Purpose and Performance Targets: (Brief description and likelihood of achievement within project time framework. Any key issues emerging.)
Project Outputs and Performance Targets: (An assessment of the outputs completed)
Project Activities: (Significant activities completed and any issues encountered during implementation.)
Risks encountered (through implementation and how were they managed)
Lessons emerging from the implementation: (Any lesson so far for the implementing agency and lessons for ADB)
Opportunities for replication: (Are there any plans to replicate or have any elements of the work undertaken so far been replicated elsewhere)
How does this initiative link with or contribute to the ADB CSP for the country?
Any important measures for mitigating risks during the remaining period of implementation
Any other key messages to GCF Donors concerning the project