

DEVELOPMENT EFFECTIVENESS COMMITTEE

CHAIR'S SUMMARY OF THE COMMITTEE DISCUSSION ON 20 MARCH 2009

Regional Cooperation Assistance Program Evaluation for the Greater Mekong Subregion: Maturing and Moving Forward (DOC.IN.4-09)

- *Sector Assistance Program Evaluation of the Energy Sector in the Greater Mekong Subregion (DOC.IN.10-09)*
- *Sector Assistance Program Evaluation of the Tourism Sector in the Greater Mekong Subregion (DOC.IN.11-09)*
- *Sector Assistance Program Evaluation for Transport and Trade Facilitation in the Greater Mekong Subregion - Time to Shift Gears (DOC.IN.8-09)*

Background

1. The study is the first regional cooperation assistance program evaluation (RCAPE) made by the Independent Evaluation Department (IED), and reflects the key conclusions and recommendations of three sector assistance program evaluations (SAPEs), four background papers, four project performance evaluation reports.¹ Overall, the Greater Mekong Subregion (GMS) program did very well in bringing the member countries together in improving transport connectivity, sharing power generation, and promoting regional tourism.
2. The study suggests that to build on such achievements and realize greater benefits, the GMS program now needs to move to the next level of complementing the hardware with enhanced software. Greater attention should be paid to negative externalities, such as environmental degradation, human trafficking, and any adverse social impact that may arise from the GMS program. The study also recommends that ADB engages itself in improving the capabilities of member countries to increasingly take on added institutional responsibilities of the GMS program. Better coordination between regional and national programs should also be achieved.
3. At the institutional level, ADB needs to improve more on monitoring and evaluation of benefits through establishing appropriate indicators. Regional departments and sector divisions should work more closely with the Office of the Regional Economic Integration (OREI) and the Regional and Sustainable Development Department (RSDD).
4. While Management agrees to most of the recommendations of the study, more needs to be done to bring the program to a satisfactory level of completion, and to fully achieve the benefits of the GMS program.

Summary of Discussion

5. DEC generally agreed to the key recommendations of the study. One DEC member strongly supported giving more responsibilities to the six member countries of the region, namely Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam, and People's Republic of China, and this requires adequate capacity enhancement.
6. DEC presented varied views on the alignment of sector priorities of the Strategy 2020 vis-à-vis regional cooperation and integration (RCI). One DEC member explained that engaging in areas outside the core sectors of Strategy 2020 may shift internal capacity within ADB, and may weaken

¹ The Committee meeting of 20 March 2009, was the first meeting of the DEC with the IED (former Operations Evaluation Department).

the in-house skills on areas of focus, given the limited staff resources. A memo from Management that would clarify the thrust of ADB on RCI, particularly on tourism sector, was awaited.

7. DEC Chair sought clarification on the activity-driven nature of the program, and the incorporation of policy-based lending. IED emphasized the need to expand cooperation and integration beyond just pairs of countries. Another DEC member noted how the Transport Strategy (2006-2015) is silent on environment and social issues. Similarly, the Energy SAPE indicated that enough attention had not been given to environmental and social issues. DEC also sought clarification on the definition of regional project.

8. Director General, SERD explained that the basic premise in identifying core areas for RCI is on needs basis, where ADB can assist developing member countries (DMCs) in poverty reduction and mitigation of regional risks. On the supply side, the premise is the availability of capacity for ADB to bring demonstrable value addition to the GMS program.

9. Director General, SERD also explained that policy-based lending is not against the fundamental principle of the activity-driven nature of the program. The intention is to enhance policy-related initiatives through the program.

10. SERD staff explained the very close coordination of the regional programs with country programs. All investment projects and TAs in the pipeline also appear in the national programs of the governments.

Conclusions

11. DEC noted with satisfaction that all the relevant DMCs were consulted in the preparation of the RCAPE.

12. DEC also noted with satisfaction the progress that has been made by the GMS regional integration program and highly recognized its important role with ADB as facilitator, financier, honest broker, and technical adviser.

13. DEC discussed the issue of activity-driven, rather than rules-driven, nature of the program, and considered that while the basic nature of the program should continue to be activity-driven, emphasis should be given to engaging in soft infrastructures, including the policy dimensions, along with hard infrastructures like roads, power, and tourism projects.

14. DEC considered the need for some flexibility in the regional cooperation initiatives beyond the four core operational areas of the Strategy 2020. At the same time, ADB should focus to the extent possible on areas of its core competence.

15. DEC urged Management to explore its regional cooperation initiatives beyond pairs of countries and to a more multilateral arrangement.

16. DEC encouraged Management to have greater cooperation between the Regional departments, particularly the sector divisions, and RSDD and OREI.



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