Chair’s Summary of Meeting of the Board of Directors

16 February 2016


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Asian Development Bank
1. Directors endorsed the country partnership strategy (CPS) for the People’s Republic of China (PRC), 2016–2020. Directors acknowledged that the PRC has achieved tremendous economic growth over the past 3 decades, which has lifted hundreds of millions of people out of poverty and improved the standard of living of its citizens. Despite this rapid growth, they recognized that enormous development challenges remain, such as environmental degradation and climate change, income inequality and pockets of extreme poverty, gender inequality, inadequate access to social services, and capacity gaps of institutions and quality of governance. In this regard, directors welcomed the deepening of engagement of the Asian Development Bank (ADB) with the PRC, and recognized the important role that ADB can play in assisting the PRC in overcoming persistent and emerging development challenges.

2. Directors welcomed the CPS’ emphasis on the pursuit of regional and global public goods, notably on climate change and environmental management. Some directors highlighted ADB’s comparative advantage in promoting regional cooperation and integration, especially in the role of honest broker, as recommended in the country assistance program evaluation prepared by the Independent Evaluation Department. One director urged ADB to take the lead in working with other regional development partners to improve connectivity and strengthen human resource capacity. Another Director supported the targeting of ADB operations in the poorer central, western, and northern regions of the PRC. Having noted the number of priority areas, some directors encouraged ADB to be selective in its areas of focus during implementation. With respect to the strategic priority to support inclusive economic growth, one Director encouraged ADB not to interpret inclusiveness broadly, but to focus more narrowly on challenges that need ADB assistance most. Some directors urged ADB to ensure gender equality and mainstreaming in relevant ADB projects. Some directors asked about ADB’s value addition in the area of elderly care. With regard to the strategic priority to foster knowledge cooperation, some directors remarked that ADB’s work in the PRC in the coming years should emphasize knowledge services (knowledge creation and transfer), including sharing international good practices and using expertise and lessons learned in the PRC in other developing member countries.

3. Directors noted that policy-based lending and results-based lending would now be part of ADB’s engagement in the PRC. Some directors recommended that ADB use these instruments selectively and encouraged ADB to define the conditions for their use.

4. Directors appreciated the important role of private sector operations in the PRC and supported its further expansion. In this regard, directors welcomed ADB’s engagement in public–private partnerships, climate change mitigation, environmental protection, and social development. A director requested high value addition for the Trade Finance Program and private equity funds.

5. Some directors commented that they would have benefited from having a discussion on a broader strategy towards upper middle-income countries before discussing this CPS, and asked to have this discussion as soon as possible. Several directors noted that the CPS should have included discussion on the issue of graduation. With regard to the proposal to increase sovereign lending volume, some directors noted that they would have preferred to see a clearer picture of the future lending volumes to the PRC over the medium term, as well as the implications for resources to Group A and B countries, under the merger of Asian Development Fund lending operations with the ordinary capital resources balance sheet.