Chair’s Summary of Meeting of the Board of Directors

19 September 2019

Mainstreaming the Results-Based Lending for Programs

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Asian Development Bank
1. On 19 September 2019, the Board of Directors (the Board) of the Asian Development Bank (ADB) unanimously approved the proposed policy for Mainstreaming the Results-Based Lending for Programs. The Directors commended the Management and staff of ADB for using an iterative process of consultation with the Board and for incorporating the suggestions of the Directors in the policy to the extent possible. The Directors viewed the consultation process as a good example of a constructive and proactive engagement with the Board.

2. The Directors acknowledged the potential of the results-based lending modality (RBL) to enhance the development effectiveness of ADB operations in its developing member countries (DMCs), support the achievement of results in the government programs of DMCs, strengthen DMC government institutions, and foster partnerships with other development agencies.

3. To ensure the successful implementation of RBL, several Directors suggested to the Management to explore the use of RBL in a broad range of sectors and countries, and update the Board on the RBL pipeline in early 2020. The Board also emphasized the need to provide capacity building and clear guidelines to ensure appropriate implementation of the RBL policy.

4. Some Directors raised concerns on the reputational risks involving activities with environmental and social risks, and requested the Management to prepare an annual consolidated report on this issue. Some Directors emphasized the need for a robust mechanism for independent verification of the results achieved. With regard to the monitoring of the share of RBL in the ADB resource allocation, a Director suggested to set an absolute amount in the beginning of the year to reduce uncertainty rather than using the ratio. Another Director stressed that RBL should be rolled out in a selective manner and Management should employ the modality only where circumstances support the design of a high-quality program. Staff assured that RBL will only be deployed where ADB is confident in a high-quality program.

5. With reference to the ongoing review of the Safeguards Policy Statement (2009) by the Independent Evaluation Department, some Directors requested ADB to further promote the use of country safeguard systems and consider the use of an integrated approach in managing environmental and social risks as being practiced by other multilateral development banks. Some Directors also requested for additional support for capacity building on safeguards.