Chair’s Summary for the 25 May 2023 Meeting

1. The Development Effectiveness Committee of the Board of Directors (DEC) met on 25 May 2023 to discuss the Independent Evaluation Department’s (IED) Thematic Evaluation of *ADB Support for the Central Asia Regional Economic Cooperation Program, 2011-2021*, and Management Response (both documents attached). Management agreed with four of the recommendations and partially agreed with one. Vice-Chair AED Roger Fischer chaired the meeting.

2. DEC members highly appreciated the timeliness and relevance of the IED report, emphasizing the importance of learning across regional programs. They also appreciated that this evaluation is one of a series of three on ADB regional programs that may draw lessons that are transferable among other regional programs.

3. Management indicated how classifying projects as regional can help build incentives and ownership. There was consensus among DEC members that ADB must systematically identify and understand the benefits of an operation that occurs beyond one particular DMC. Some DEC members highlighted that such analysis may help ADB in setting targeted incentives for DMCs to engage in regional cooperation and integration (RCI) as well as sustaining global and regional public goods. DEC acknowledged that there is ongoing work by Management in this respect, and that the Committee looks forward to the updated “Handbook on the Classification and Economic Analysis of Regional Projects.” The Committee underlined the need for solid evidence of where the benefits of ADB supported operations lie, i.e., whether the benefits are country specific, regional or global. It was emphasized that ADB needs to further expand its support to regional and global public goods.

4. There was consensus among DEC members that ADB must add value to regional programs, and they appreciated the finding of the evaluation that in the Central Asia Regional Economic Cooperation (CAREC) program, ADB is valued as an honest broker. ADB’s support to CAREC, as well as to other regional secretariats builds on this advantage as a trusted partner with long-term, deep and stable experience across the region. DEC encouraged Management to shine light on and better communicate ADB’s support in the area. At the same time, the need to be aware of ADB’s and other development partners’ relative strengths and limitations was highlighted with a view to ensuring a workable division of labor.

5. DEC stressed the need to enhance gender equality, reduce regional disparity, promote capital market development, support trade finance, and improve data collection and digital transformation through regional cooperation. The meeting also discussed the instruments needed to further regional cooperation and integration (RCI) in the CAREC region and beyond.
6. Membership expansion of the CAREC program was brought up. It was acknowledged that this is an issue for the CAREC program members to decide. At the same time, there is a role for ADB to engage in advocacy and convey the advantages that countries can gain if they engage in regional cooperation and integration.

7. The Committee recognized that staff and technical assistance (TA) resources for regional programs are likely not sufficient. There was consensus that going forward, the RCI TA resource issue will be further considered under the upcoming discussion on work program and budget framework (WPBF). DEC members agreed that transparent documents specifically linking inputs to outputs are needed to enable informed decision making. The members agreed on the need to discuss whether ADB has the right instruments and incentives to support RCI, in terms of volume, terms and financing, as part of the Asian Development Fund (ADF) 14.

8. DEC agreed that the extent and whether a regional program should take a top-down or a bottom-up approach or a combination of the two depends on the situation specific to a region. The same applies to formal and informal ways of cooperation.

9. There was consensus among members that RCI needs to be country anchored in the interests of participating countries. DEC members agreed that ADB country programs i.e., country partnership strategies must be designed to help DMCs drive forward RCI. Regional programs should engage with a broader range of country stakeholders, including relevant agencies and sectors beyond the ministry of finance.

10. The DEC reiterated that ADB should offer integrated responses, combining TA, policy advice and private sector investment modalities. An important message from the evaluation pointed to the need to better integrate nationally anchored investments and regional TAs, and committee members encouraged use of a Private Sector Development Investment (PSDI)-style intervention (as seen in the Pacific) in CAREC. These areas are all something that the ADB New Operating Model is expected to support.

Any Other Business

11. Under AOB, the committee brought up a recurring issue on how to improve the feedback loop between the evaluations, the DEC discussions, and the action plans, their implementation and monitoring of it. It has been suggested for DEC to review the draft action plans prior to them being finalized and uploaded into MARS. DEC agreed to meet in June to discuss this issue and how to formalize its role in terms of input to the action plans across evaluations.

Meeting Attendees:

DEC: AED Roger Fischer (Vice-Chair), AED David Cavanough ED Sameer Kumar Khare, AED Karen Murray, AED Keiko Takahashi
IED: Emmanuel Jimenez, Director General; Sona Shrestha, Deputy Director General; Joanne Asquith, Director; Houqi Hong, Senior Evaluation Specialist

Management: Xiaohong Yang, Deputy Director General, CWRD; Xiaoqin Fan, Director, EAPF; Lyaziza Sabyrova, Director, CWRC; Yuebin Zhang, Principal Regional Cooperations Specialist, SDCC

Secretariat: Sisse Arias, OSEC

Links to the Attachments:

1. IED’s Thematic Evaluation of ADB Support for the Central Asia Regional Economic Cooperation Program, 2011-2021

2. Management Response to IED’s Thematic Evaluation of ADB Support for the Central Asia Regional Economic Cooperation Program, 2011-2021