

17 October 2003

**ADF IX DONORS' MEETING
9-10 OCTOBER 2003, COPENHAGEN, DENMARK**

CHAIRPERSON'S SUMMARY OF DISCUSSION

1. Donor members, management and senior staff of the Asian Development Bank (ADB) met in Copenhagen, Denmark, on 9-10 October 2003 to commence the eighth replenishment of the Asian Development Fund (ADF IX). Members of the ADB Board of Directors also attended the meeting. The objective of the meeting was to have a preliminary discussion of some of the critical issues for consideration during the replenishment as well as of the work program and proposed schedule of meetings.

2. Donors expressed concerns about the current effectiveness of the ADB and identified a series of key issues, which they believed required close attention from the ADB during the course of the negotiations. During the meeting, donors noted that in some areas the ADB had performed well in implementing the ADF VIII program, and in addressing post-conflict needs. They noted the slow implementation of a number of key ADF VIII commitments and stressed that Management would need to speed up the effective implementation of existing policies and strategies across a number of areas of high priority to donors.

3. Donors strongly emphasised the need for ADB to give greater focus to policy implementation and internal governance so as to improve the development effectiveness of ADB and ADF. They also recognised the need for ADB to enhance the linkage of its programs to the attainment of the Millennium Development Goals in the Asia-Pacific region. Donors asked for a rewrite of the Poverty Reduction Strategy paper to include greater analytics and a focus on results. They also stressed the need for ADF IX to consolidate the approaches followed during ADF VIII while recognising development challenges that had arisen in the Asia-Pacific region during the past few years.

4. In his opening remarks to the meeting, President Chino set out a series of steps that had been implemented to strengthen the effectiveness, accountability, transparency and efficiency of ADB activities during 2003. He also noted the impact of the recent reorganization in the ADB as well as the importance of human resource management issues. He outlined plans and commitments for further reform in such areas as project quality, the Human Resources strategy, devolution of responsibility to Resident Missions and transparency in management appointments. Donors, in welcoming President Chino's commitments to reforms, called for a time-bound agenda for the implementation of the proposed measures.

5. During the course of the meeting, donors agreed on several key initiatives. They agreed that beginning with the main documents prepared for the Copenhagen meeting all key ADF IX reports would be made available to the public by prompt posting onto the ADB website. In addition, they agreed to include selected

representatives from borrowing developing members countries (DMCs) in the ADF negotiation process, to consult with civil society, and to hear from Executive Directors during ADF replenishment discussions.

6. Donors indicated that during the ADF IX negotiations they would wish to see a range of key issues addressed. Amongst the most important of these were performance-based allocation (PBA) strategy and implementation, a greater emphasis on results-based management within the ADB, and the use of ADF resources to address the special problems faced by weakly-performing countries. In addition, they emphasized the importance of good governance both within the ADB and across DMCs in the Asia-Pacific region. Further, donors reiterated the key role of the ADB Poverty Reduction Strategy in encouraging borrowing countries to have stronger ownership of the economic development process. Finally, a wide range of other issues that donors seek to see addressed were identified such as gender, ADB private sector activities, and the selection process for Vice Presidents.

7. Donors provided preliminary views on the scope and structure of the Donors Report. They emphasised that the range of issues discussed in Copenhagen and in subsequent meetings should be properly reflected in the Donors' Report, which will include a concrete timeline for implementation of President Chino's action plan for reform.

8. Donors agreed that issues concerning financial and resource issues, such as PBA and grants, would be addressed in later ADF IX meetings, including at the next meeting to be held in Tokyo in December 2003.