



# Chair's Summary of Meeting of the Board of Directors

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27 September 2017

## Country Partnership Strategy India, 2018–2022 —Accelerating Inclusive Economic Transformation

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Asian Development Bank

1. The Board of Directors of the Asian Development Bank (ADB) generally endorsed the country partnership strategy (CPS), 2018–2022 for India. Directors acknowledged the strong economic growth and rapid poverty reduction achieved by India since 2004, agreed with the identified key development challenges in the CPS, and supported the thrust and scope to meet those challenges. They appreciated the three-pillar approach, the “One ADB” approach in preparing and implementing the CPS, and the plan to scale-up lending. Directors also supported enhancing focus on low-income states, using strategic studies to lay the foundations for transformational projects, and outlining a strong and systematic knowledge plan.

2. Directors underscored the need to implement the recommendations of the country assistance program evaluation, particularly improving the efficiency of operations. To improve the disbursement ratio, they stressed the need to enhance the quality at entry of operations, use technical assistance loans, and effectively monitor projects during implementation. They also said the high cancellation rate of nonsovereign operations (NSOs) should be addressed. One Director stated that over programming in the pipeline should be complemented by building the capacity of weaker executing agencies.

3. Noting that the scope of the CPS priorities is broad-based, some Directors pointed out the need for selectivity and focus in its implementation, including in the states to be focused. Several Directors also said ADB’s portfolio should be diversified into social sectors such as health and education since many people are deprived of these services.

4. Most Directors commended the enhanced focus on low-income states to promote inclusive growth. They said building capacity in these states is vital to ensure the optimal use of ADB resources. Several Directors stressed the importance of gender action plans and proper monitoring of ADB projects since gender equality and women’s empowerment is integral to achieving the Sustainable Development Goals. Acknowledging the limited availability of gender disaggregated data, some Directors recommended that the relevant gender indicators in the results framework be made more visible. One Director suggested that ADB should also support targeted poverty reduction programs.

5. Directors acknowledged the CPS’s focus on infrastructure and noted the importance of pursuing comprehensive urbanization with climate resilience and using digital platforms. ADB may build on the government’s flagship programs such as Smart Cities, which can be a valuable lesson for other developing member countries. Noting that ADB intends to support 10 out of the 100 smart cities, several Directors encouraged ADB to partner some second-tier cities. Since there is significant demand for infrastructure, one Director suggested that ADB play an important role in promoting high-quality infrastructure and introducing high-level technology.

6. Because the CPS plan includes scaling up NSO lending, some Directors stressed the need to pursue higher impacts by working in challenging areas and low-income segments of society. This would include increasing support to state-owned enterprises by pursuing requisite regulatory reforms, taking the “One ADB” approach, and increasing the number of NSO staff outposts. One Director stressed the need for diversifying the portfolio in developing member countries.

7. The Directors underpinned the need for ADB to provide sufficient technical assistance resources to help develop the required implementation capacity while providing effective knowledge solutions. Some Directors commented on the use of the country systems. While the shift towards using country systems is encouraged, one Director said that this should proceed while ensuring adequate compliance with safeguards.