The ADB’s Regional Integration and Cooperation Strategy: Opportunities for the Civil Society Organizations (CSOs)

By Dr. Avilash Roul

Asudhaiva Kutumbakam, a Sanskrit phrase that originated from ancient Indian texts, means the ‘whole world is one single family.’ In reality, while the Earth is one, there are many worlds. In the face of chronic poverty and development paradox, it is often suggested that the regional integration and cooperation of many worlds leads to the eradication of poverty. While political and economic-driven integration was the norm of international politics after the Second World War, its success was limited. Notwithstanding the causes of the low success rate of those integrations, the multilateral development banks (MDBs), especially the Asian Development Bank (ADB), have charted various strategies to link the regions in Asia-Pacific in order to eradicate poverty and to boost the regional financial markets. Regional cooperation is a mechanism that aims to promote the efficient use of resources in the subregions of a growth area. In general, as the MDBs’ share in investment has declined to 8 percent of net Official Development Assistance (ODA), their support is mostly aimed at the free flow of goods, services and human movement among the countries and through the region.

Among the MDBs, the Asian Development Bank has been considered the frontrunner in regional integration and cooperation in the Asia-Pacific. ADB strongly believes that “the regional cooperation can directly contribute to pro-poor growth and inclusive social development.” To achieve this major goal enshrined in its Charter, the ADB established the Office of Regional Economic Integration (OREI) in its headquarters in Manila to monitor and assist the member countries as they merge into the global financial structure. Also under Strategy 2020, a long-term strategic framework adopted in 2008, ADB put regional integration as one of the major strategic agenda.

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Office of Regional Economic Integration (OREI)

Role
Assist the developing member countries of ADB—both individually and collectively—to harness the full benefits of global financial integration and international capital flows while at the same time minimizing any disruptive effects.

Responsibilities
• Monitor economic policies and financial architecture issues from a regional and subregional perspective and disseminate the results to promote prudential economic management.
• Strengthen the capacity for economic monitoring at the regional and subregional levels through provision of technical assistance and advisory services.
• Strengthen ADB’s relations with other international financial institutions, as well as regional and subregional bodies, by providing monitoring inputs to various meetings and discussions.

Sources:
http://www.adb.org/orei/default.asp

“This new office will play an active role as catalyst, coordinator, and knowledge leader in the area of regional economic integration.”

ADB President Haruhiko Kuroda
The ADB has been formulating country-specific strategies, also known as the Country Partnership Strategy (CPS), with government agencies, which would indicate where the ADB is supposed to lend various assistances. With these strategies, the ADB then formulates the regional cooperation strategy where the possibilities of cooperation can be established. So far, there have been four regional cooperation strategies and its updates that have been developed by the ADB in Central Asia, Greater Mekong Subregion (GMS), South Asia and the Pacific.

In 1994, ADB adopted a regional cooperation policy (RCP) that articulated ADB’s approach to promoting regional cooperation. Two years later, ADB endorsed a strategy of Regional Cooperation and Integration (RCI). This strategy focuses on regional and subregional programs on cross-border infrastructure and related software, regional trade and investment, money and finance and regional public goods such as communicable disease control (e.g., SARS, H1N1) and natural disaster response, and clean energy and environmental protection such as the degradation of subregional waters and of land and global warming. Regional Cooperation Strategies
percent its existing investment portfolio for regional projects and programs. In Strategy 2020, ADB intends to increase by 30 percent its existing investment portfolio for regional operations. Interestingly, while the World Bank has a clear policy on disputed area between or among countries, the ADB does not have such clear policy guidelines for its operations. This has been a major constraint on the ADB operations which seemingly has been lying low for a while until a row between the People’s Republic of China and the Government of India cropped up on the issue of ADB’s investment in Arunachal Pradesh. After these skirmishes in the ADB headquarters on the India-China row, it is believed that some instructions have been issued to the staff on steps to take if they believe an ADB operation may take place in a disputed area.

Opportunities for CSOs

Interestingly, while there have been monitoring, campaigning, lobbying on the ill effects of ADB-funded projects, programs and policies since the 1990s, there is minimal engagement by the CSOs in regional or transnational projects so far. For example, in South Asia, the first private regional project funded by the ADB was the Lafarge Surma Cement project involving Meghalaya (India) and Bangladesh. The Indian civil society groups did not strongly protest the drawbacks of the project; the same has been missing among the Bangladeshi CSOs. These South Asian groups missed the opportunity to strike a strong argument against the ill effects of the project by making these a regional concern. Although there are many projects which could potentially affect the region, the consolidation of concerns has not been done in this regard, or at least to some degree.

Even policy campaigns have not been consolidated through the regional challenges which differ from one region to another. While CSOs are criticizing ADB’s adoption of one formula for all regions, the former has been doing the same unknowingly. It is now agreed that any big projects which alter the natural resources or environment will either have a low or high impact on the neighboring or regional environment.

Against the background of growing regional economic integration as prescribed by the ADB, the opportunities for the CSOs are high to engage on this issue.

Members of the NGO Forum on ADB (hereafter referred to as Forum) in Central Asia and Caucasus have already begun a regional campaign on the highly controversial CASAREM project. The members from Kyrgyz Republic, with the collaboration of other CSOs especially from the Republic of Tajikistan, successfully lobbied with the ADB senior officials to reconsider the project. The latest update is that the ADB will no longer continue the CASA-

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“In recent years, the ADB’s focus has shifted more to regional projects and programs. In Strategy 2020, ADB intends to increase by 30 percent its existing investment portfolio for regional operations.” said Rajat Nag, Managing Director General of ADB in Sydney in 2007. To achieve the goal of regional integration and cooperation, ADB formulates subregional cooperation programs such as the Greater Mekong Subregion (GMS) Program; the Central Asian Regional Economic Cooperation Unit (CAREC); the South Asia Subregional Economic Cooperation (SASEC) initiative; the Indonesia, Malaysia, Thailand Growth Triangle (IMT-GT); and the Brunei, Indonesia, Malaysia, Philippines East ASEAN Growth Area (BIMP-EAGA). The tacit formulations of all these programs are complementary to the political and economic integration of the respective regions.

ADB has promoted many regional programs since 1992, starting with the GMS program. Since early 1997, ADB has encouraged regional economic cooperation among its developing member countries in Central Asia. In recent years, the ADB’s focus has shifted more to regional projects and programs. An evidence of this shift is being incorporated in Strategy 2020 where ADB intends to increase by 30 percent its existing investment portfolio for regional projects and other RCI activities.
There are many such regional projects in Central Asia and Caucasus and in the Greater Mekong Subregion which require a formidable consolidated monitoring and advocacy from the partners and members of the respective countries.

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Against the background of growing regional economic integration as prescribed by the ADB, the opportunities for the CSOs are high to engage on this issue. NGO Forum on ADB -- an Asian-led network of different groups from the different regions -- has focused squarely on the ADB’s three (3) P’s (policy, program and projects). The Forum has the best possible means to monitor the ADB’s regional integration programs and projects, but which so far have not been explored. The members and partners of the Forum are spread out across the Asia-Pacific region, mostly in South Asia, Central Asia and Caucasus and the Mekong region. While most of the project monitoring is carried out by groups in specific countries, the only requirement is a possible dialogue among the members and partners in order to find the common ground among ADB-funded projects or programs.

To this end, the Forum concluded a regional dialogue in Cambodia where the members of South Asia, Central Asia and Caucasus, and the Mekong region deliberated on the ill effects of ADB-funded projects and the strategies to address those effects. This is the beginning of a regional dialogue among the concerned CSOs which will continue to strengthen the concerns against the ill effects of ADB-funded projects.

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