

**PROCEEDINGS of the  
REGIONAL STRATEGY MEETING of  
ASIAN NGOs on ADB ADVOCACY  
30 March – 1 April 2001  
Subic, Olongapo City, Philippines**

**Prepared for the NGO Forum on ADB by  
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The NGO FORUM ON ADB (FORUM) is a network of diverse non-governmental organizations (NGOs), peoples' organizations (POs), community-based organizations and other public interest groups with advocacy and campaigns relating to the Asian Development Bank (ADB). The Manila-based Secretariat can be reached at: Room 402, 107-A Kalayaan Avenue, Diliman, 1101 Quezon City, Philippines; Telefax: +632 9297987; E-mail: [forum@pacific.net.ph](mailto:forum@pacific.net.ph).

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## EXECUTIVE SUMMARY

Twenty-two participants representing 14 non-government organizations (NGOs) – including regional groups -- in Cambodia, Japan, Nepal, Pakistan, the Philippines and Sri Lanka took part in the Regional Strategy Meeting of Asian NGOs on ADB (Asian Development Bank) Advocacy held on 30 March - 2 April 2001 in Subic, Olongapo City in the Philippines.

Organized by the NGO Forum on the ADB (FORUM), the regional meeting aimed to share: (1) highlights of country and regional activities directly or indirectly related to NGO issues on the ADB; (2) current issues and updates on the ADB; and (3) if possible, harmonize action plans on ADB policy advocacy in the next one to three years, including the Honolulu ADB Annual Meeting in May 2001.

The first two days of the meeting focused on the discussion of ADB projects and policy issues (e.g., poverty reduction, privatization, labor) and the results of recent in-country NGO capacity-building workshops on ADB advocacy. On the third day, the participants identified priority areas and plans which the group can be able to jointly initiate or work on in the next 1-3 years.

### *ADB Projects (Country cases)*

Country presentations of ADB projects in Asia include (1) the National Highway 1 project in Cambodia; (2) the Chasma Right Bank Irrigation Project (CRBIP) in Pakistan; (3) the Melamchi Drinking Water Project in Nepal; and (4) ADB's water sector projects in Sri Lanka. In general, these ADB projects are characterized by several problematic features:

- Lack of transparency and consultation with the affected communities;
- Huge costs that are not justified by the supposed benefits of the project;
- Lack of consideration for indigenous, more appropriate and more cost-effective alternatives;
- Lack of social acceptability;
- Forced eviction and inappropriate/inadequate provisions for resettlement;
- Inadequate compensation for resettled people;
- Adverse impact on people's livelihood.

Japan - The increasing influence of Japan in the ADB through majority contribution in various forms of ADB funding facilities was also presented. The ADB is an institution funded by the Japanese, controlled by the Japanese, and run by the Japanese. Japan -- along with the United States -- is the top donor to ADB, and wields a wide-ranging and powerful influence over its financing and policy-making process. Several Japanese NGOs may be contacted to help lobby the ADB and Japan's Ministry of Finance.

### *Critique of ADB's Poverty Reduction Strategy*

ADB's Poverty Reduction Strategy suffers from a serious gap between its rhetoric and actual Bank practice. Among ADB's declared intents are meaningful and representative civil society participation and women's participation in development. Several NGOs have also criticized the Strategy Paper's reticence on agrarian reform. In Cambodia, the National Poverty Reduction Strategy being formulated by the government, with support of WB and ADB, is under fire from civil society groups due to lack of genuine stakeholder participation in its preparation and its flawed macro-economic framework, among others.

### *ADB's Privatization Policy*

Two examples of privatization projects supported by the MDBs in the Philippines stand out as a testament to the MDBs' faulty conduct of privatization thus far. These are (a) the privatization of the National Power Corporation (NAPOCOR) which is a policy conditionality of the ADB-supported power sector loan; and (b) the 1997 MWSS privatization advised by the World Bank's IFC, which is the first large-scale privatization of a water utility in Asia. These privatization activities have been severely criticized because of lack of transparency and broad-based consultations and, in the case of the NAPOCOR, allegations of bribery and corruption.

The ADB has also taken flak for its efforts to 'privatize' water in Sri Lanka, which critics claim are designed to influence cropping decisions of farmers, among others.

#### *ADB and Labor*

The bungled privatization of the National Steel Corporation in the Philippines provides a good example of how the Bank's privatization efforts can adversely impact on labor. They often lead to retrenchment with inadequate compensation for the victims. The Asian Labor Network on IFIs (ALNI) has initiated a program to ensure that core labor standards are observed and protected in ADB activities in the region.

#### *Sub-regional Cooperation Initiatives of ADB*

ADB's mandate to promote regional cooperation was translated into policy in 1994. The Bank has since supported several subregional cooperation programs in Southeast Asia (e.g., Greater Mekong Subregion or GMS, East ASEAN Growth Area or BIMP-EAGA), Central Asia, and more recently, in South Asia. In these schemes, ADB plays a coordinating role cum 'honest broker' between governments and the private sector. ADB's support to subregional cooperation covers the whole range of activities from technical studies and workshops in support of cooperation dialogue, to physical investments in cross-border projects and, where appropriate, assistance for cross-border agreements. Many activists have criticized these schemes as nothing more than 'policy enclaves' which feature traditional heavy infrastructure lending whereby ADB promotes outward-orientedness and further opening of economies of participating countries.

#### *In-Country Capacity-Building Workshops*

The results of a series of workshops conducted in the Philippines, Cambodia, Sri Lanka and Indonesia were presented; these workshops aimed at strengthening NGO/civil society capacity to conduct ADB advocacy and organized in partnership with the NGO Forum on ADB.

- ♣ SRI LANKA/SOUTH ASIA. The Sri Lankan NGO Working Group (SLWG) on ADB, hosted by EFL in Sri Lanka, organized the workshop in November 2000 which focused on the ADB's poverty reduction strategy and the privatization of public utilities, health and education. Many expressed grave concerns regarding the privatization activities in the water sector; civil society groups are preparing an alternative water policy for Sri Lanka. Action plans called for monitoring activities, information-gathering and mobilization. The South Asian participants – from 19 organizations – agreed to work and strengthen national-level activities first, and then take further steps to coordinate with the regional and international groups.
- ♣ CAMBODIA. The *ADB Workshop in Battambang* was co-organized by the NGO Forum on Cambodia in March 2001 and provided an overview of the ADB, its operations in Cambodia (e.g., National Highway 1 Improvement Project), and the activities of Cambodian NGOs engaging the ADB. The NGO participants also discussed the ADB-assisted Second Five-Year Socio-Economic Development Plan (SEDP II) being drafted by foreign consultants for the Cambodian government. Most of the participants were unaware or have little information about the SEDP II which was already in the final stages of preparation. The participants were also interested in the following issues -- anti-corruption policy, loan portfolio for Cambodia, translation of ADB documents into Khmer. The participants requested more reading materials on ADB in Khmer language (e.g., toolkits for activists) in order to better understand the roles and functions of the Bank. Cambodian NGOs involved in advocacy with the Bank have also initially identified the ADB Resident Mission as the focus for engagement.
- ♣ PHILIPPINES. The *Mindanao NGO Workshop on Multilateral Development Banks (MDBs)* in March 2001 aimed to provide an overview of ongoing MDB campaigns and to determine how to better conduct a process of engagement and dialogue with MDBs. Organized locally by ANGOC, ADB and World Bank officials were invited to present their respective programs in the Philippines. Three mechanisms for engagement of Philippines NGOs with MDBs were identified – (a) Crafting of an alternative development framework for MDBs; (b) Civil society participation in the entire project cycle; and (c) Giving local communities choices in the types of projects that MDBs fund. The following consensus and action points were identified:

- (a) The development frameworks of MDBs differ from those of civil society. Nevertheless, there is a need to engage MDBs because they are public institutions and key development players and their activities can impact on people's lives from womb to tomb;
  - (b) It is up to each civil society organization to define the specifics of its engagement with MDBs; the engagement itself must be transparent, genuine, and focused on results;
  - (c) To effectively engage MDBs, the capacities of civil society need to be enhanced which can be done on a per institution basis.
- ♣ **INDONESIA.** The November 2000 *Conference on ADB Policies and Strategies* in Indonesia was a 'historical point' for the people's movement critical of the ADB, according to the organizers which include the Anti-Debt Coalition Movement and the Asian Labor Network on IFIs (ALNI-Indonesia). Privatization is a big and controversial issue in Indonesia, with government's plan to privatize 144 state companies; opposition has started to emerge as privatization is almost always linked to massive job termination. At the end of the conference, participants called strongly for the rejection of the ADB's Poverty Reduction Strategy for Indonesia and the privatization of state-owned companies, along with a set of demands for greater transparency, accountability and participation in the government's dealings with IFIs, including the ADB.

#### *Priority Issues for the ADB Campaign*

Two themes emerged as overarching issues for the workshop discussions -- the Bank's 'Poverty Reduction Strategy' and 'Privatization Policy'. On poverty reduction, participants generally agreed that the challenge for the NGO Forum is two-pronged: to assess/critique previous poverty reduction programs and influence country/regional/international level processes leading up to the current PRSP in order to ensure that the perspective of the poor on poverty is integrated. A significant unity statement was drafted – *“Poverty is created as a consequence of the intervention of the ADB and other MDBs/IFIs in our communities. These institutions pushed us out of our lands, destroyed our traditional and indigenous sources and modes of livelihood, taken and destroyed our natural resources and environment, made our peoples powerless and hindered our full development potential.”*

On privatization, participants agreed to initiate a campaign on water privatization and commence the necessary first steps – e.g., create or strengthen existing databases; link up with groups/networks already working on the issue; detail a 1-3 year action program.

#### *Action Plans (1-3 years)*

##### ♣ **ADB'S POVERTY REDUCTION STRATEGY**

1. *Delay the PRSP/CSP processes and consolidate the network position*
  - Fund raising for study sessions on proposing alternatives
  - Timetable for study session: August/Sept 2001
  - **Signed up: EFL, MONLAR, DAMAAN, SUNGI, SST, FDC**
2. *Issue a statement on private sector role in growth promotion*
  - Initial draft/outline of database/research
  - Timetable: statements/positions to be used in Bankwatch and the Honolulu meeting. Statements subject to further critiquing
  - **Signed up: MONLAR, Pro-Public, FDC, FORUM, Focus on the Global South**
3. *Make an impact assessment of ADB projects*
  - Projects tabled for impact assessment: CRBIP, Highway 1, Samut Prakarn
  - Get current/past evaluation of ADB projects
4. *Conduct special studies*
  - Specifically on privatization and private sector role
  - Make use of the 200 village project findings of ANGOC

♣ PRIVATIZATION

1. *Campaign on water privatization*

- Convene a task force. Identify focal point NGOs (**Signed up: Pro-Public, EFL, MONLAR, SST, FDC, ALNI, Focus, FORUM**)
- Join NGO Forum's List Serve or have NGO Forum set up a separate list serve for water privatization.

2. *Establish a privatization database of private sector involvement in ADB projects*

- Actively monitor ADB water privatization (processes, restructuring).  
**Signed up: FORUM, Focus**
- Monitor private sector (equity) operations/investments of the ADB (for which ADB can be held liable).
- Issue a white paper on the water privatization strategy of ADB.  
**Signed up: EFL, MONLAR**

3. *Networking and capability building*

- Actively seek/involve communities affected by ADB funded (water) privatization.
- Include where possible Pacific based NGOs.
- **Signed up: FORUM**

4. *Prepare a Resource Book/Best Practices on Alternative Ownership, Management and Control Models*

- Conduct research and hold conferences.
- **Signed up: FORUM, Focus, JACSES**

5. *Support campaign activities of individual members.*

6. *Join/participate in panels/forum on privatization in NGO parallel events in Honolulu.*

*Initial Plans for the Honolulu Meeting*

Some initial planning for NGO events to coincide with the ADB Meeting in Honolulu on May 6, 2001 was also done. In particular, the following NGOs represented in the meeting signified their intent to hold activities on International Solitary Day on 5 May 2001. These are: FDC, Damaan/SUNGI, MONLAR, EFL, SST, and Pro-Public Nepal.

## REPORT OF DAILY PROCEEDINGS

**DAY 1, 30 MARCH 2001**

### Welcome and Introductory Remarks

NGO Forum on the ADB convenor Takahiro Nanri thanked the workshop participants and enjoined them to actively take part in the 3-day meeting and informal exchange of ideas and strategies. NGO Forum policy adviser, Violeta Corral, called attention to the workshop's objectives, as follows:

- Share updates and highlights of country and regional activities directly or indirectly related to NGO advocacy on the ADB
- Share current issues and updates on the ADB
- Expose newcomers to the issues and dynamics of the ADB campaign
- Share and if possible harmonize action plans on the ADB campaign in the next 3 years
- Raise NGO concerns with relevant Bank staff through face-to-face meetings.

Ms. Corral emphasized that the workshop also hoped to provide input to NGO preparations for the 34th Annual Meeting of the ADB in Honolulu in May 2001. She then gave a brief backgrounder on the NGO Forum on the ADB, the former NGO Working Group on the ADB which secretariat consisted Manila-based NGOs, namely, the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC), the Freedom from Debt Coalition (FDC), the Legal Rights and Natural Resource Center (LRC), and the Philippine Rural Reconstruction Movement (PRRM). She expressed the hope that more NGOs and civil society groups would join the Forum to strengthen the campaign to engage the ADB.

### Introduction of Workshop Participants

Below is a list of the workshop participants, with their corresponding areas of interest/involvement vis-a-vis the ADB and multilateral institutions in general:

<i>Name of Participant</i>	<i>Organization</i>	<i>Area/s of interest/operation vis-a-vis the ADB</i>
Ms Dinah Fuentesfina	Freedom from Debt Coalition (FDC)	Advocacy for the cancellation of developing country debt
Ms. Kyoko Zshida	JACSES, Japan	Advocacy on Japanese financial interests in the ADB
Mr. Jude Alon	MBRLC, Philippines	Development projects in Mindanao (Southern Philippines)
Mr. Prakash Mani Sherma	ProPublic, Nepal	Advocacy re: governance issues; litigation
Mr. Chimm Van Deth	SST/NGO Forum on Cambodia	Advocacy at the local level; SAPRI
Mr. Pathragoda Dilena	Environmental Foundation Ltd. (EFL), Sri Lanka	Advocacy on ADB on environment
Mr. Sarath Fernando	MONLAR, Sri Lanka	Policy advocacy re: structural adjustment programs, government policies, poor country debt; critique of ADB's poverty reduction strategy
Mr. Lodel Magbanua	LRC-KSK, Philippines	Legal assistance to upland poor and other sectors dependent on natural resources; and communities affected by large-scale devt. projects (mostly funded by the MDBs) and privatization policies.
Mr. Nathaniel Don Marquez	Asian NGO Coalition (ANGOC)	Involvement in NGO ADB Campaign for 12 years: opening up opportunities for NGOs to engage ADB in policy dialogue reforms; recently conducted ADB-commissioned survey to gather NGO input to design a framework for consultation between ADB and NGOs.
Ms. Maricel Almojuela	ANGOC	Involvement in the NGO ADB

		Campaign for 12 years
Mr. Ahsan Wagha	Damaan/CRBIP-Affectees, Pakistan	Conservation of the environment and biodiversity
Ms. Joy Chavez	Focus on the Global South	Policy research and advocacy particularly re: sub-regional cooperation among Southeast Asian transitional economies of Cambodia, Laos and Vietnam, which are affected greatly by ADB, sub-regional cooperation concept, unique to Asia and the Pacific, private sector development and Poverty Reduction Strategy Papers (PRSPs)
Mr. Ego Bans	Jubilee South Network for Asia and the Pacific	Advocacy for the cancellation of developing country debt and PRSP
Mr. Antonio Asper	Federation of Free Workers/ALNI-Philippines	Advocacy on impacts on workers of globalization, instituting core labor standards
Mr. Luis Corral	Trade Union Congress of the Philippines/ALNI-Philippines	Advocacy on impacts on workers of globalization, instituting core labor standards
Mr. Joshua Mata	Alliance of Progressive Labor/ALNI-Philippines	Advocacy on impacts on workers of globalization, instituting core labor standards
Mr. Isagani Serrano	Philippine Rural Reconstruction Movement (Philippines)	Involvement since 1992 in the NGO Campaign on the ADB
Mr Taka Nanri Ms Violeta Corral Ms Eileen Rillera Ms Jinki Makalintal Ms Teresa Debuque	NGO Forum on ADB	Advocacy on the ADB (information center, policy research, capacity-building)

### Expectations from the Workshop

- Longer session devoted to strategic and action planning regarding advocacy on the ADB.
- Focus on governance and corruption issues; privatization of water and other public utilities.

### Creation of a Steering Committee

NGO Forum suggested that a mechanism be created to guide the discussions of the 3-day workshop; this was agreed to by the participants. Specifically, a steering committee was created composed of an elected representative from Southeast Asia, South Asia, and the regional groups. The following persons were later elected to comprise the steering committee: Mr. Chimm Van Deth (for Southeast Asia); Mr. Sarath Fernando (for South Asia); and Mr. Ego Bans (for the regional groups).

## Session 1: PRESENTATION OF COUNTRY CASES (ADB-FUNDED PROJECTS)

### CAMBODIA: National Highway 1 Project

*Presented by Mr. Chimm Van Deth, SST/NGO Forum on Cambodia*

*Background of the project.* The project involves the construction of a 240 kilometer highway linking Phnom Penh to Ho Chi Minh City. It is the first project to be developed under the Bank's Greater Mekong Subregion (GMS) initiative, and its aim is to encourage and trade flows between Cambodia and Vietnam. The project started in January 2000 and is due to be completed by 30 June 2003. The cost of the project is estimated to be US\$195.5 million, of which US\$10.7 million was contributed by the Government of Cambodia and the bulk (US\$40 million) was financed out of a loan from the ADB Special Fund Resources. According to a technical assistance survey, the project would require the acquisition of approximately 210 hectares of land, including about 200 hectares with building structures. Sixty-one per cent of the structures are residential, 37 per cent are a combination of business and residential, and 21 per cent are wholly for commercial purposes. An estimated 6,000 people would be affected.

*Objectionable features of the project.* A survey conducted by Cambodian NGOs in the provincial resettlement communes in Prey Vang and Svay Rieng provinces revealed a number of issues related to the impact of the project on the affected people:

- ♣ Inadequate compensation. Each affected family was to receive compensation of US\$140-150. The majority of respondents thought that the compensation was not enough, but agreed to it because otherwise they would get nothing at all.
- ♣ Lack of transparency/consultation. Fifty-five per cent of respondents had very little understanding of how the road would affect them. They reported how their houses were measured by local authorities and being asked to fingerprint a document. Later, the authorities came back to ask the people to sign a document alleging that they had agreed to move their homes and accept compensation from the government.
- ♣ Inappropriate resettlement scheme. The resettlement sites are located some 130 kilometers from the nearest town, lack the most basic facilities, like schools or a clinic, and do not have provisions for farming. At the same time, the compensation given by the government is not enough to cover the cost of building new homes.

**PAKISTAN: Chasma Right Bank Irrigation Project (CRBIP)**

*Presented by Mr. Ahsan Wagha, Damaan/CRBIP Affectees*

*Background of the project.* The Chasma Right Bank Irrigation Project (CRBIP) primarily involves the construction of a 274-kilometer long canal, taking off from the existing Chasma Barrage, which runs roughly parallel to and on the right side of the Indus River. It also includes the construction of 72 distributaries, 68 X-drainage structures and 91 bridges. As this canal is meant to irrigate a command area of 606,000 acres—the area bound by the canal and the River—building watercourses and water management is the final stage of the project (i.e., CRBIP Stage III). The project started in 1992 and is set to be finished by 2003. ADB is the main donor for the project, contributing 64 per cent of total project cost. The Government of Pakistan is pitching in 22 per cent; while KfW Germany accounts for 14 per cent of total project cost. In 1992, the project was estimated to cost Rs. 1,570.43 million. Today, this figure has ballooned eleven-fold, to Rs. 17,000.5 million.

*Objectionable features of the project:*

- ♣ *Lack of consultation with affected people.* Almost all of the affected people interviewed by Damaan complained about the lack of information regarding the project. No one gave them notice, no one told them what would happen to their lands and assets, and the only time they got wind of the project was when the contractors' men showed up to pull out their trees and crops.
- ♣ *Insufficient compensation.* The people are unsure whether the valuation of their losses, specifically their land but also including assets like trees, crops, tube-wells and buildings, was correctly done. In 11 of the affected villages, the people estimated their lands to be worth about Rs. 60,000 per acre. On the other hand, it was felt that the government would pay less than half that. The villagers also doubt that the loss to their livelihood would be compensated.
- ♣ *Adverse environmental impact.* Excavation and cutting up of about a thousand miles of land would destroy trees, crops, and other assets, besides ruining at least 30,000 acres of land. Moreover, the Punjabo portion of the main canal, which is 64 miles long and includes 52 distributaries and FCCs, would cut up the land into 53 pieces, at 1.2 mile intervals. These structures, with their high embankments, would cause soil erosion and generate a lot of dust. The canal would block the water of the Nullahs (i.e., on the west of the canal) in spite of the X-drainage. Previously, the Nullahs had been causing some erosion in the riverbank. But when the water in the drains starts flowing faster and stronger, soil erosion would increase and result in greater siltation.
- ♣ *Failure to consider indigenous/more environmentally appropriate alternatives.* The “Rowd Kowhee” (or Hill Torrents) system (RKS) is the traditional irrigation system in the area. The RKS uses monsoon rainfall which gets deposited in the Suleman Range, which runs roughly parallel to the main canal at a distance of about 30 kilometers. The Hill Torrents bring huge quantities of muddy, swiftly flowing water to specific areas. The people can either use this abundant water or let it flow towards the Indus River, by alternately blocking it and letting it loose to water their fields. The sponsors of the ADB-

funded canal could have made use of this natural way of channeling rain water, but instead they opted to make use of a cross drainage (through the canal) structure, which displaces people and disturbs national habitat of animals and plants. It is estimated that if all the real costs are internalized, the project would cost over US\$25 million.

**NEPAL: Melamchi Drinking Water Project**  
*Presented by Mr. Prakash Mani Sherma, ProPublic*

*Background of the project*

Purportedly to address a persistent water shortage problem affecting 1.5 million residents in Kathmandu Valley, ADB approved the Melamchi Water Supply Project loan amounting to US\$120 million in December 2000. The project, estimated to cost a total of US\$464 million, is cofinanced with the Nepal government, the Japan Bank for International Cooperation, Norwegian and Swedish aid agencies, the Nordic Development Fund, OPEC Fund and the Government of Japan. Due to be completed in September 2006, the project involves the construction of a 26-kilometer tunnel primarily to divert 170 million liters of water from the Melamchi River on a daily basis as well as to contain water channeled from the Yangri and Larke rivers. Moreover, the loan involves the construction of a water treatment plant that can initially process 170 million liters a day and can expand threefold. Finally, access roads to project facilities will be constructed to enhance the existing distribution system.

*Objectionable features of the project*

- ♣ No information disclosure;
- ♣ Failure or unwillingness on the part of the Bank to explore alternatives modes of supplying the water needs of Kathmandu valley residents;
- ♣ No expected benefit for the poor, who cannot anyway pay the new water rates;
- ♣ Perceived real objective of the Bank in pushing for the project is the privatization of the water utility.

**SRI LANKA: ADB's Privatization Policies and Programs in Sri Lanka**  
*Presented by Mr. Sarath Fernando, MONLAR*

According to the ADB economic growth, fueled by privatization, is essential to poverty reduction. Yet experience negates this assumption. Hence, any further continuance of this strategy can only work against the poor. There is a need to demand that the Sri Lankan government and multilateral development banks (MDBs) reassess the results of this poverty reduction strategy. A number of MDB projects/programs illustrate the anti-poor nature of the poverty reduction strategy on which they are based:

- ♣ User fees for water. In Sri Lanka, all water rights are vested in the state. Previously provided free of charge, a new policy adopted in March 2000 gives government the right to sell its water. This policy was kept secret. Legislation proposed in 1996, and supported by the ADB, would have the country's 1.8 million farming families pay for irrigation water.
- ♣ The World Bank (WB) is encouraging farmers to give up farming (*e.g.*, through policies that cut subsidies) and allow investors to make "more productive" use of the land.
- ♣ Labor protection laws are being eased up in the name of creating a free labor market.

**Synthesis of Country Presentations**

*Facilitated by Ms. Violeta Perez-Corral, NGO Forum*

The country cases have the following notable features:

- ♣ *National Highway 1 in Cambodia* --- No transparency/consultation; Affected people may be fearful of government; Adverse effect on people's livelihood; Inadequate compensation; Forced eviction and inappropriate/inadequate provisions for resettlement
- ♣ *CRBIP (irrigation project in Pakistan)* -- Huge cost (originally estimated at US\$1.7 B, now running to US\$17 B; No consideration for other indigenous alternatives, *e.g.*, utilizing seasonal hill torrents;

waterlifting from nearby stream; Unreported cost over-runs (to make the project seem cost-effective; if true costs are accounted, it will cost US\$25 B); Social displacement; Threat to biodiversity; Loss of people's land; Part of package is introduction of new seed varieties

- *Melamchi drinking water project (Nepal)* -- No information disclosure; Alternatives to supplying drinking water not considered; Part of conditionality is privatization of water utility; Higher cost of water to poor people; Disregard for rights of water users outside of the metropolis
- *ADB strategy/programs in Sri Lanka* - Over-reliance on accelerated economic growth; Lack of transparency, esp. in the formulation of the water policy; Commercialization of land; Pro-poor growth being promoted is actually anti-poor

## **PLENARY DISCUSSION**

Promotion of good governance, one of the ADB's loan conditionalities (and a precondition for inclusion in the Heavily Indebted Poor Country [HIPC] initiative, often undermines governments' sovereignty. Insisting on good governance is tantamount to telling a government how to run the country, but governments oblige because, being heavily indebted, they are in no position to say no. Related to this is the ADB's anti-corruption zeal. Before it became "fashionable" to criticize governments for corruption, for instance, before the Asian financial crisis, the ADB was loath to put governments to task. Indeed, to this day, the ADB has no problem working even with disreputable governments as long as they can implement its projects. Besides, if the ADB were truly concerned to avoid corruption it wouldn't push huge loans onto governments that do not have the absorptive capacity and are therefore more than likely to squander the money.

<b>Session 2: OTHER COUNTRY EXPERIENCES &amp; CAPACITY-BUILDING WORKSHOPS</b>
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### **JAPAN: Japan and ADB** *Presented by Ms. Kyoko Ishida, JACSES*

The increasing influence of Japan in the ADB through majority contribution in various forms of ADB funding facilities was also presented. The ADB is an institution funded by the Japanese, controlled by the Japanese, and run by the Japanese. Japan -- along with the United States -- is the top donor to ADB, and wields a wide-ranging and powerful influence over its financing and policy-making process. Several Japanese NGOs -- including JACSES -- may be contacted to help lobby the ADB and Japan's Ministry of Finance.

As one of the two countries with the biggest stake in the ADB, Japan enjoys considerable voting power equivalent to 567,148, or 13.09 per cent of total membership. As of April 2000 it held 15.93 per cent of total shares (or 552,210 shares), subscribed US\$7,583.94 million in overall capital and US\$531.11 million in paid-in capital subscription. Japan has also remained the top contributor to the Bank's Special Funds, all of which are parallel to the Bank's goal of reducing poverty -- Asian Development Fund (ADF), ADB Institute Special Fund; Japan Special Fund (JSF), Asian Currency Crisis Support Facility (ACCSF) and more recently, Japan Fund for Poverty Reduction (JFPR).

### **PHILIPPINES: Mindanao NGO Workshop on MDBs** *Presented by Ms. Maricel Almojuela, ANGOC*

A consultation-workshop was held in Cagayan de Oro City on March 19-20, 2001 to get an overview of ongoing MDB campaigns and to determine how to better conduct the dialogue with MDBs. On the first day of the workshop, the newly established Philippine office of the ADB presented the Bank's Philippine program. Meanwhile, the World Bank (WB)'s new civil society relations officer gave an overview of their own Philippine program with emphasis on Mindanao. The second day was devoted to identifying mechanisms to improve engagement with the banks. The issues and concerns raised in this session had to do with three major classes of issues -- The framework of MDBs; MDB policies; and MDB projects. Three

main categories of engagement mechanisms were identified, namely -- Development of a more appropriate MDB framework for development; Civil society participation in the entire project cycle; Giving people the choice of projects to be funded.

The following Consensus and Action Points were also identified:

- ♣ The development frameworks of MDBs differ from those of civil society. Nevertheless, there is a need to engage MDBs. Because they are public institutions and key development players, they can impact on people's lives from womb to tomb.
- ♣ It is up to each civil society organization to define the specifics of its engagement with MDBs. But the engagement itself must be transparent, genuine, and focused on results.
- ♣ To effectively engage MDBs, the capacities of civil society need to be enhanced. For the moment, this can be done on a per institution basis.
- ♣ However, civil society needs to network and collaborate for information sharing; (a) The NGO Forum on the ADB can serve as a communications center. Their list serve can facilitate exchange of documents and information; (b) The LRC-KSK-FoE shall be the focal organization and undertake coordination among Mindanao groups.

**CAMBODIA: ADB Workshop in Battambang**  
*Presented by Ms. Jinki Macalintal, NGO Forum on ADB*

The workshop in Cambodia was held on March 13-14, 2001 in the province of Battambang. Day 1 provided an overview of the ADB, its operations in Cambodia, especially the National Highway 1 improvement project, and the activities of Cambodian NGOs engaging the ADB. Day 2 featured workshop group discussions of two main topics: (1) Phase II of the government's MDB-supported Socio-Economic Development Plan (SEDP II), and (2) advocacy with the ADB.

*SEDP II.* The participants were asked to identify the following: (a) Proposed improvements in the planning, implementation and monitoring environment for the SEDP II; (b) NGO contribution to the above; (c) Specific policies and issues NGOs should get involved in. Among the concrete proposals are: (a) Information dissemination, especially in rural areas, through workshops, seminars, and other media forms; (b) Participation of all sectors in the planning process, as opposed to a top-down approach to planning; (c) Renewed involvement in the land reform process; (d) Clear roles and responsibilities for implementors; (e) Capacity building for implementors, as well as greater transparency and accountability. For specific sectors, capacity building should result in -- improved production in agriculture, greater coverage of education services and business/trading policies that protect local/domestic producers and halt importation.

*ADB advocacy.* The following were tackled: (a) Issues and areas related to the ADB that NGOs are interested in; (b) Information on the ADB that NGOs need; (c) Mechanisms for involvement in ADB advocacy. Generally, the NGO participants were interested in the following ADB-related issues -- anti-corruption policy; ADB's macro-policy framework; loan portfolio for Cambodia: *i.e.*, what kinds of loan and how much; translation of ADB documents/publications into Khmer. NGOs also need some basic and not-so-basic information about the ADB, including ADB plans, policies and projects for Cambodia and Impact of ADB projects on communities. Cambodian NGOs involved in advocacy with the Bank have initially identified the ADB Resident Mission as the focus for engagement with the Bank. They plan to have an initial meeting among themselves to plan out their agenda before meeting with Mission officials.

**SRI LANKA/SOUTH ASIA: Capability-Building Workshop on ADB**  
*Presented by Mr. Pathragoda Dilena, EFL, Sri Lanka*

The Sri Lankan NGO Working Group (SLWG) on ADB – hosted by the Environmental Foundation Ltd (EFL) -- is a local network of NGOs and community-based organizations supporting each other so that each could empower their stakeholders and communities' life, resources and environment. SLWG provides a venue for the network to course a strategy and develop consensus-based overall strategy on the ADB campaign. It has also taken on the task of spreading the network in the other countries in South Asia – Bangladesh, India, Nepal, Pakistan.

The South Asian workshop was held in Sri Lanka on November 28-30, 2000. Of the 19 organizations represented, 12 were from Sri Lanka, and the rest were from the rest of South Asia. The workshop focused on the following issues -- ADB's poverty reduction strategy and the privatization of public utilities, health and education. Many expressed grave concerns regarding the privatization of water, among others; in Sri Lanka, civil society groups are preparing an alternative water policy for Sri Lanka. Action planning was directed at these issues, and called for monitoring activities, information-gathering and mobilization. The South Asian participants – from a total 19 organizations – agreed to work and strengthen national-level activities first, and then take further steps to coordinate with the regional and international for a. Participants also affirmed the leadership and coordination work done by EFL.

**INDONESIA: Conference on ADB Policies and Strategies**  
*Drawn from Conference Report prepared by Arimbi Hereopoetri, debtWatch Indonesia*

For the Indonesian organizers, the November 2000 Conference was a 'historical point' for the people's movement critical on one of the MDBs – the ADB. The last ten years has been spent to initiate a critical dialogue with the ADB by NGO representatives attending the ADB's Meetings. At the national level, some cases can be labeled a success – such as the cancellation of the Lore Lindu Dam in Central Sulawesi and Industrial Forest Plantation project in West Kalimantan. These advocacy actions, however, have not reached the stage to trigger the formation of a movement to criticize the ADB. One cause is perhaps the fact that that to be an activist who understands MDBs issues was not then deemed important by most activists in Indonesia. Continually tracing ADB documents in English and which are hard to obtain was deemed a boring task to many NGO activists. It was also a frustrating task to deal with both ADB and Indonesian government officials which requires a certain skill apart from those commonly possessed by most Indonesian activists.

The Anti-Debt Coalition Movement, formed at the last Annual Meeting of the Consultative Group on Indonesia (CGI) in Jakarta in February last year opened the eyes of many on the extent of Indonesian debt problems which has increased significantly largely sans scrutiny from civil society. The establishment of the Asian Labor Network on IFIs (ALNI) in July also pushed the creation of a people's movement which will criticize the role of international financial institutions in the debt problem of Indonesia. Amidst these developments, the 4-day conference on ADB policies and strategies – with focus on privatization -- was organized. Participants comprised elements of Indonesian civil society (e.g., NGOs, trade unions, farmers organizations, entrepreneurs, academe, mass media), government and the IFIs (ADB and WB).

Privatization is a big and controversial issue in Indonesia, with government's plan to privatize 144 state companies. Opposition has started to emerge as privatization is almost always linked to massive job termination. At the end of the conference, participants – numbering 97 on the first-day seminar and 27 in the 3-day workshop – called strongly for the rejection of the ADB's Poverty Reduction Strategy for Indonesia and the privatization of state-owned companies, along with a set of demands for greater transparency, accountability and participation in the government's dealings with IFIs, including the ADB.

The demands from Indonesian civil society groups are the following:

- ♣ Reject new foreign debts for poverty alleviation schemes if their character is still top-down and they open opportunity for corruption, collusion and nepotism;
- ♣ Review the subsidy policy which objective is to actually meet the basic needs of people (e.g. health and education), as well as subsidy for small farmers to ensure that their products are absorbed in the market at prices that benefit them;
- ♣ Government must select foreign debts; decisions concerning new debts should involve the society; the Law on Foreign Debt must be issued immediately;
- ♣ Lobby the creditors for a debt relief particularly for debts that are categorized as odious and criminal;
- ♣ Demand that ADB and other creditors release data concerning controversial funded projects, as well as officials involved in the projects;
- ♣ Reject the Poverty Alleviation Strategy initiated by ADB;
- ♣ Reject the strategy of government to sell healthy state-owned companies with arguments that do not make any sense;
- ♣ Reject the privatization of state-owned companies that are directly related with public services such as water, electricity, social security and telecommunications;
- ♣ Review state-owned companies that were already privatized but suspected to have problems, such as the case of PLN (State Electric Company) and JICT PELINDO II.

**THAILAND: Lessons from Chiangmai**

*Drawn from Teresa Encarnacion Tadem's 'Thai social movements and the anti-ADB campaign: The Chiang Mai Experience, 2000' (Strategy Meeting Document)*

Future campaigns to reform the ADB can draw lessons from the NGO/PO protests during the 33<sup>rd</sup> Annual Meeting of ADB in Chiangmai, Thailand in May 2000. The anti-ADB campaigns was a milestone in the democratization process in Thailand. It marked for the first time that such a protest action was waged against a multilateral agency in the country. It also witnessed the biggest demonstrations ever held in North Thailand, where together with Northeast Thailand, the majority of the country's poor reside. It was also the first time that the Thai social movements held an anti-ADB international parallel conference, attended by as many as 1,000 participants.

The relevance of such an occasion, however, is not only in terms of the number of conference participants and demonstrators but more importantly, the events revealed the persistent problems of poverty, inequality and underdevelopment in the rural areas, concerns which have existed in the past and which continue to confront Thai Society. One of the main issues raised by Thai farmers then was the issue of water taxes. A social movement had previously been built around this issue, targeting ADB and the Thai government. The Chiangmai campaign was also considered a watershed event because it was the first time that a strong people's movement said it would no longer meet with the ADB in its own turf.

**PLENARY DISCUSSION**

- ♣ How can Asian NGOs make use of Japanese NGOs influence with the ADB to bring about desired changes in the Bank? There is a need to build the capacity of NGOs to engage the ADB, but who is going to do it? Japanese NGOs may be able to influence ADB or Japan's Ministry of Finance through regular dialogue of the NGOs with these institutions.
- ♣ The NGOs in Mindanao (Philippines) believe that the responsibility for making the Bank more responsive lies with civil society organizations through -- strengthening and supporting fora like the NGO Forum on the ADB, improving capacity to undertake campaigns and understanding Bank procedures. The bigger challenge is how to exact accountability from the MDBs and how to get governments to do this with us. There are no concrete plans for capacity building in engaging the multilaterals.
- ♣ The issue of water privatization keeps coming up, so is it possible to discuss and work together on documenting the resistance of people to this policy. Can we build a movement around this issue. In Sri Lanka we are forming groups like "people concerned with water". There are groups like the Public

Services International (based in Belgium with affiliates globally) that have databases of water/power sector privatizations, which MNCs are involved.

- ♣ There are Asian and European views of privatization of utilities. But we need to find out what it is about this trend that we are apprehensive about. Is it the fact that water is being privatized or the delivery to our homes? It's not just the immediate community that has a stake in this because this is a public domain resource. There are also other sectors that need water.
- ♣ Identify the key themes that are the target policy interventions of MDBs, make this region-specific, and identify the linkages with corporations.

## **DAY 2, 1 APRIL 2001**

<b>Session 3:            ADB's POVERTY REDUCTION STRATEGY</b>
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### **ADB's Poverty Reduction Strategy**

In November 1999, the ADB approved a new poverty reduction strategy which is now the 'overriding goal' of the Bank. Asia accounts for roughly two-thirds of the poor in the developing world with some 900 million people living on 'a-dollar-a-day'. This 'radical policy shift' will affect every aspect and level of the Bank's operations. The ADB's poverty reduction strategy has three pillars: (1) Pro-poor sustainable economic growth; (2) Good governance; and (3) Social development. These pillars, in turn, are to be achieved through very specific policies and strategies, namely:

- ♣ *Pro-poor sustainable economic growth* -- Labor intensive growth; Sound macroeconomic management; Policies to remove market distortions; Policies to foster employment creation; infrastructure which expands access by the poor; Investment targeted to poor areas.
- ♣ *Good governance and public management* -- Policies to remove political distortions; Transparency and public participation; Decentralized governance (especially through effective local governments; Sound fiscal management; Sound and pro-poor government subsidies; Non-discriminatory laws and accessible courts of justice
- ♣ *Social development* -- Social inclusion – overcoming marginalization; promoting social cohesion; reducing social conflict; Targeting of basic social services to the poor; Removal of gender discriminatory policies; Social protection – reducing risk for the poor.

### **Critique of the ADB Poverty Reduction Strategy**

*Presented by Ms. Maricel Almojuela, ANGOC*

The ADB's poverty reduction strategy claims a number of pro-poor and pro-participation features. But an examination of how these are stated and put in practice by the Bank in recent years shows that they count less for real reform than rhetoric. At least three of these features are examined as follows:

- *Meaningful and representative civil society participation* -- This claim is negated by the following trends: Actual government practice does not square with official declarations and commitments. To date, NGOs have to contend with legal restrictions on official registration processes, controls on funding, especially from foreign donors, travel restrictions, close monitoring and even prohibition of some NGO activities; Inconsistency between micro and macro efforts (as exemplified by the impact of structural adjustment programs on community enterprises); Inconsistent mindset of government officials where beneficiary participation in project implementation is concerned.
- *Women's participation in development is central to any poverty reduction strategy* - Participation in development programs exacerbates the multiple burdens of household and family management and income generation. Development programs for women need to reduce their burdens to improve their participation in community activities.

- *Only passing mention of agrarian reform in the Social Development section of the poverty reduction strategy paper* - This works against the Bank's own admission that "poverty is a deprivation of essential assets and opportunities to which every human being is entitled".

As a result of this critique, the following challenges are posed to the ADB:

- ADB must develop truly creative processes to involve civil society and the poor in country-level planning and programming. This means that the ADB must sustain dialogue with civil society even as it prioritizes its relationship with governments.
- The continuing challenge is how to incorporate the perspectives and values of the poor into the processes of policy formulation and project design, implementation, monitoring and evaluation.
- The participation of beneficiaries and other major stakeholders must be integrated into the monitoring and evaluation mechanisms of projects.

### **Critique of the ADB poverty reduction strategy**

*Presented by Ms. Dinah Fuentesfina, FDC*

The ADB's poverty reduction strategy is but a repackaging of neoliberal policies. The ADB policy comes on the heels of the IMF and World Bank announcement of their Poverty Reduction Strategy approach adopted in their September 1999 annual meeting. Reading the ADB papers, it would appear that the ADB and NGO's share the same concerns regarding poverty. However, like its global counterparts, ADB has not departed from the neoliberal economic framework.

One of the key elements to the ADB's Poverty Reduction Strategy is its plan to promote private sector investment in developing member countries. Much of what is outlined in relevant ADB documents is premised on the ADB's belief that through private, sector investment in public enterprise, and indeed through takeover of said public enterprises, the delivery of services to those in poverty can be greatly enhanced. The ADB's Private Sector Development Strategy paper, for instance, states that economic growth through the development of the private sector is the most critical component of a successful strategy in alleviating conditions of poverty -- *"It is widely accepted that the private sector is needed and better suited for sustaining rapid growth. And the Asian experience shows that growth is the most powerful weapon in the fight against poverty."*

This statement is clearly indicative that the ADB has also not departed from the neo-liberal economic framework despite all the rhetoric about poverty reduction. In the past, it was saying that the goal should be GROWTH and it will be achieved through neoliberal economic policies. Now it is saying the goal is POVERTY REDUCTION, and this goal will be achieved through the same neoliberal paradigm, which will speed up growth, which will lead to poverty reduction.

While we are not suggesting that privatization is always unacceptable, concrete experiences with ADB driven (and IMF/WB) privatization measures reveal an obstinate insistence on privatization regardless of consequences and impact. One such experience is the ongoing battle against the power industry privatization bill now pending in the Philippine legislature.

The ADB argues that by privatizing public enterprises the resources that are tied up in public enterprises can be shifted into higher priority programs that will be of more immediate benefit to those in poverty. However, the move towards shifting resources out of the public sector in order to enhance the delivery of services to those classified as needy is often used as a pretext to make the transition to privatization of state enterprises unproblematic.

ADB further claims that the private provision of goods and services with public financing can also be well-suited to the social sectors, where the private sector can 'sometimes be engaged on a contractual basis to operate not-for-profit social facilities like schools and clinic.'

In many instances the arguments that are cited by advocates of privatization of public enterprise put forward the criticism that many public enterprises are bloated, over-regulated and incompetent. However, there are a number of cases of large-scale public enterprises with inefficiencies and indebtedness that developed due in large part to bad borrowing and lending, questionable contracts that involve public guarantees of private profits and other practices to which the ADB and other creditors were tolerant and even active accomplices and instigators. Again, one such example is the National Power Corporation (NAPOCOR) in the Philippines and its onerous contracts with Independent Power Producers. *The ADB, the WB and the IMF should not be allowed to wash their hands, then turn around and lay all the blame to corrupt national governments.*

The challenge to NGOs are five-fold: (1) There must be further study and critique of the framework, content and actual implementation of the ADB and the IMP/WB Poverty Reduction Strategy thrusts and programs; (2) Ideally, NGOs should unite on a coherent strategy for engaging the ADB both at the regional level and at the national level that -- takes into account the particular political-economic conditions and balance of forces in each country; sharply and effectively challenges ADB policies and its over-all role in national and regional economic directions in the context of globalization; draws strength from and rooted in the struggles of grassroots and people's movements; and is directed at not only immediate and concrete policy changes but strategic changes in power relations and structures and economic and political democratization; (3) In this strategy, lobbying and advocacy on specific issues has its place and importance, but this type of work needs to be situated in a major effort to challenge the institution and its paradigm as a whole. Thus there be a regional campaign addressing the Poverty Reduction Strategy as an issue and make use of the various corresponding arenas; (4) Initial steps should include a regional study, consensus building and campaign/advocacy training on the PRSP issue; (5) We further urge that there be a related effort to renew work on the ADB and the debt issue, as it relates to poverty creation and intensification, and covering such questions as the illegitimacy of debt, debt and conditionalities, and relationship of debt and trade.

**The MDB-Funded Poverty Reduction Strategy in Cambodia**  
*Presented by Mr. Chimm Van Deth, SST/NGO Forum on Cambodia*

To comply with conditions of the World Bank (WB) and the International Monetary Fund (IMF), the Royal Government of Cambodia (RGC) prepared in mid-2000 an Interim Poverty Reduction Strategy Paper (I-PRSP) as an interim paper towards a full PRSP. Deadline for submission of the I-PRSP to the WB-IMF boards was December 2000; the full PRSP should be finalized by October 2001. On the other hand, the ADB is assisting the government in preparing its Second Five-Year Socio-Economic Development Plan 2001-2005 (SEDP II), which purportedly has poverty reduction as the core agenda. The whole process has come under criticism from Cambodian NGOs/civil society organizations (CSOs) because of the way it has been conducted thus far. Critical issues raised by Cambodian CSOs are as follows:

- ♣ *Lack of genuine participation of stakeholders* - There has been no real attempt to incorporate the ideas of NGOs/CSOs in setting the priorities of I-PRSP; Inter-Ministerial Working Groups on the I-PRSP and SEDP II do not include CSO representatives; Substantive dialogue between the government and NGOs/CSOs has yet to start; All eight draft versions of the I-PRSP are in English and hence are not readily understood by Cambodians, both within and outside government. Similarly, the PRSP II paper was circulated in English and only for a limited time, giving NGOs/CSOs too little time to study it.

- ♣ *Concerns on macro-economic policy* - The RGC's strategic motto is "Poverty reduction through high economic growth over the long-term by ensuring environmental sustainability and social equity." These goals can sometimes work against each other; 'Safety nets' for the 'most vulnerable' groups are often too little and too late, and ought not to be a substitute for promoting social equity; I-PRSP puts more stress on industrial and services sector development "as a locomotive for growth" rather than on agricultural development. As a strategy to reduce poverty, this is misplaced because (1) agriculture is the main occupation of the poor; (2) targeting resources on rural areas will have the most impact on poverty reduction; and (3) failure to assist the rural economy can only lead to rural-urban migration, growth of slum communities, and increase in social ills, like prostitution.
- ♣ *On the poor's access to natural resources* - The I-PRSP does not acknowledge the importance of land reform as a strategy for the promotion of social equity; The paper seeks to widen the poor's access to forest, fisheries and water resources; this should translate concretely into the promotion of community-based management of same resources. However, certain sections of the I-PRSP view natural resources more as an economic resource, to be utilized for export purposes, rather than as a major source of food and livelihood for local people.
- ♣ *On health and education* - I-PRSP provides for greater spending on health and education, but also prescribes "user fees" which almost always result in reduced access especially by the poor to these services.
- ♣ *On women and children's rights* - I-PRSP does not spell out clear policies to address problems such as violence against women, trafficking of women and children, and gender-based discrimination.

#### **PLENARY DISCUSSION**

- ♣ Poverty reduction strategies are based on the assumption that the private sector is the engine of development, hence the concerns of the private sector are largely favored rather than those of the poorer segments of society.
- ♣ Which institutions are the proper agents to design/implement poverty reduction strategies?
- ♣ What do we mean by poverty? How does one measure poverty?
- ♣ Despite poverty reduction strategies implemented in the past and to date, people seem worse off everywhere.

<b>Session 4:            ADB AND PRIVATIZATION</b>
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In March 2000, the ADB unveiled its new Private Sector Development Strategy (PSDS) aimed at strengthening the role of the private sector as the engine of growth in Asia-Pacific. The PSDS will be the Bank's main instrument 'to harness the private sector' s contribution to free the region of poverty.' The three PSDS thrusts are: (a) creating enabling conditions for business to flourish and an environment conducive to pro-poor growth, and in the process 'shifting government' s role from owner-producer to facilitator-regulator of private sector activities, thus freeing public resources for use in basic education, health services, and social safety nets;' (b) generating business opportunities; and (c) catalyzing private investments. The following case presentations illustrate how over-reliance on the private sector and unbridled privatization can go wrong and thus may result in even greater poverty for the poor.

#### **Power Sector Reform in the Philippines** *Presented by Luis Corral, ALNI-Philippines*

The Omnibus Power Reform Bill in the Philippines, which seeks to restructure and 'unbundle' the power industry in the Philippines and privatize the National Power Corporation (NAPOCOR), is a condition of a US\$1 billion assistance package from the ADB with co-financing from Japan's Miyazawa Fund. This proposed law has remained unpassed to date because of strong civil society opposition to provisions that do not address major issues:

- ❖ It proposes that "stranded costs" (incurred from corruption and mismanagement) of the National Power Corporation (NAPOCOR), the state-owned power generating company, be assumed by the government. These stranded costs run up to US\$10 billion. The ADB is supportive of this proposal. In place of it, another proposal is to pass on the costs to consumers as a power levy.
- ❖ It allows cross-ownership. For instance, MERALCO, a privately owned company which currently has a near-monopoly on power distribution in Metro Manila, will be allowed to have a stake in power generation. If permitted, this could lead to overpricing, made possible by non-transparent and unregulated transfer price mechanism.

**Privatization of Metro Manila Waterworks and Sewerage System (MWSS), Philippines**  
*Presented by Violeta Perez-Corral, NGO Forum on ADB*

Over the past ten years, ADB has poured several loans (total \$426 million) to improve the water supply and distribution of Manila's Metropolitan Waterworks and Sewerage Services (MWSS). These included a \$92 million loan to the Philippine government in 1995 to bore tunnels through mountains to divert water from Umiray River in faraway Quezon province to Angat Dam near Metro Manila. Apart from the environmental damage which the construction of the tunnel has created, critics of this 'transbasin dam' deplored the lack of transparency and consultations, particularly indigenous peoples water users who depend on the waters of the Umiray River for their daily sustenance and livelihoods.

In 1996, the World Bank's International Finance Corporation (IFC) became consultant to privatize MWSS; in 1997, this became the largest ever privatization of a water utility in the region. After hiking water rates pre-privatization and a two-stage 'early retirement' of affected public sector workers that followed was the change in MWSS management from government to two private sector concessionaires over the next 25 years. The 'public-private partnership' that seemingly transpired was for government to guarantee the supply of water to the private concessionaires which distributed the water and collected the bills in behalf of government. In return, the concessionaires promised to make more investments in water distribution and sewerage services, as well as pay government regular concession fees.

In 1999, the ADB approved a \$170 million loan to one private concessionaire -- Maynilad Water Services Inc (French Lyonnaise des Eaux is 'strategic' foreign investor). The loan was roughly 50% of the total \$350 million debt package being raised by Maynilad to meet its investment requirements till 2002. The much-vaunted capital financing that the private sector supposedly brings in is nothing more than borrowing activities that have the potential to 'crowd out' public sector lending from the ADB's (and other IFI) regular lending portfolio.

Today, the MWSS Regulatory Office (RO) receives its budget from the concession fees of the private concessionaires. It lacks teeth in enforcing its regulatory role -- partly arising from its weak legal mandate as it was created out of a chapter in the Concession Agreement -- and partly because the private sector 'duopoly' can simply threaten to return the management of MWSS to government (at great immediate costs to water consumers) if its current demands for water rate increases are not met satisfactorily by the RO. In fact, the private concessionaires, who now have control over water supply, can simply switch off the taps to show government and contrary consumers that they mean business!

It is not known whether the underfunded and under-qualified MWSS RO (the ADB continues to pour technical assistance grants for 'capacity building'!) has been monitoring the actual number of poor consumers benefited by this 'poverty-reducing' project. Or whether privatizing management of the water utility has had an immediate impact on public health -- as when repair of water leaks (translated into 'non-revenue water') by the private concessionaires should at least redound to lesser incidence of water-borne diseases.

In the pipeline is ADB assistance towards the construction of Laiban Dam, which is touted to be as big as the controversial San Roque Dam, to augment the water supply in Metro Manila. This project may be implemented through BOT; funding required is \$1 billion.. Moreover, a 'Small Towns Water Supply and Sanitation Sector' project is also in the offing which will again invite greater private sector participation in the sector.

## **‘Water Privatization’ in Sri Lanka**

*Presented by Mr. Sarath Fernando, MONLAR*

Peasants' and other people's movements in Sri Lanka raise the fundamental issue of the privatization of water, a resource freely available in nature and a requisite to life itself. Under the guise of water resources management, a new government policy -- largely kept under folds -- adopted in March 2000 vests all water rights in the state and now allows the government to sell its water. This is but part of a continuing trend promoted by the multilateral banks (e.g., ADB, WB) which, in 1996, supported legislation that would have the country's 1.8 million farming families pay for irrigation water. This was also in line with the move to wean farmers away from growing non-export food crops, the rationale behind being that as long as government continues to supply water freely to farmers, the latter will continue to cultivate what they wish. Hence, the proposal to charge user fees for water.

### **PLENARY DISCUSSION**

- Points to debate on re: privatization measures -- Who will own the privatized entities--will it be a monopoly, duopoly or dispersed ownership; Is competition good when it comes to public utilities? Who is going to pay for stranded costs? Should government pay for non-performing assets while the private sector gets to own the performing ones? There is no transparency in the transactions; Impact on immediate constituency--most of the employees were made to retire early; more importantly there is no disclosure on the part of the government on what will happen to employees; The regulatory framework has not been very well designed. Is this a subject for our advocacy?
- From the case presentations, a number of issues stand out -- *On stranded costs*. When the utilities are in government hands, stranded costs are assumed by government and by the consumers. So why shouldn't bad loans be likewise privatized? *On price rationalization*. In most public utilities, cross subsidies are a matter of course. Following privatization, this practice should cease. Yet, and in spite of privatization government reserves the right to retain its price rationalization policy. *On foreign currency adjustment*. Should consumers be made to pay for currency adjustments when they have no say in the investment priorities and decisions of private enterprises?
- The next wave of privatization will be in pension funds.
- One flaw of private sector ownership of public utilities is the resulting unequal distribution of service.
- An illustration of how ADB privatization programs engender cartels is the case of NAPOCOR, and the cartel of gasoline suppliers.

<b>Session 5:            ADB AND LABOR</b>
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In December 1999, the ADB approved a Technical Assistance grant (co-financed with Norway) on ‘Strengthening the Role of the Labor Standards in Selected DMCs’ to provide access to employment under ‘acceptable’ conditions, one of the first such initiative at the Bank. The TA will address three core labor standards – (a) move children from the worst forms of employment and to school; (b) improve employment for women; and (c) reduce occupational safety and health hazards.

Internationally accepted core labor standards as defined by the International Labor Organization (ILO) include: the right to associate (ILO Convention No. 87); the right to organize and bargain collectively (ILO Convention No. 98); equal employment opportunity and non-discrimination (ILO Convention Nos. 100 and 111); prohibition of forced labor (ILO Convention Nos. 29 and 105), and; prohibition of child labor (ILO Convention No. 138).

## **ALNI's Advocacy and the Case of National Steel Corporation**

*Presented by Mr. Tony Asper, ALNI-Philippines*

The Asian Labor Network on International Financial Institutions (IFIs), or ALNI, seeks to promote social dialogue with IFIs on issues and concerns affecting workers. Its advocacy activities are directed towards:

- Holding IFIs to the provisions of the Copenhagen Declaration on Social Development;
- Promoting social dialogue on privatization, liberalization and deregulation;
- Promoting Universal Human and Trade Union Rights;
- Advancing and defending core International Labor Standards; and
- Freedom from debt and sustainable development.

A case example of how privatization of a state-owned enterprise has adversely impacted on workers is that of the Philippines' National Steel Corporation (NSC). In 1994 the NSC was privatized. It was sold twice over to Malaysian investors for about US\$800 million. (However, to this date, the Philippine congress and the executive branch are still trying to determine where the money went.) In 1997, following the Asian financial crisis, the NSC defaulted on its debt payments (amounting to US\$32 million) to government financial intermediaries and other banks due to several factors -- accelerated tariff reduction leading to dumping of cheap Russian steel, high electricity costs, de facto devaluation and mismanagement. In November 1999 the NSC finally shut down and has not reopened since. Foreclosure procedures were initiated but were temporarily put on hold by a court order.

The fate of NSC workers - To date, no separation pay has been paid to the 2,000 workers who are now jobless. Their families have had to subsist on about PhP1,800 a month of contractual benefits. About 200 workers have left to work overseas, while many of those that remained eke out a living in the informal sector as vendors, craftsmen and transport workers. At least 40 children from these affected families have left school, and another 5,000 are in danger of befalling the same fate. Forty thousand other workers from affected establishments were displaced, partially or totally.

Iligan, the NSC's host city, lost 30 per cent of its revenue, or PhP156 million (roughly US\$3 million). The National Government lost PhP1,473 billion in duties and taxes, while PhP1.411 billion worth of business revenues have gone down the drain. NAPOCOR, the state power generating company, lost PhP700 million of revenues from NSC's closure. Debt-ridden and due to be privatized (if the Omnibus Power Reform Bill is passed by Congress), NAPOCOR is currently dumping electricity in Mindanao.

## **Core Labor Standards (CLS) and ADB's Social Protection Policy**

*Presented by Mr. Luis Corral, ALNI-Philippines*

ALNI's advocacy with IFIs focuses on compliance with CLS, namely -- freedom of association; right to organize (collective bargaining, right to strike); non-discrimination in work according to sex, religion, etc; prohibition of worse forms of child labor; prohibition of child labor. The common response of IFIs however is to insist that the proper venue for such advocacy is the ILO which, in effect, promotes a 'false dichotomy between those who have jobs and those who do not'.

ADB would also rather leave it to individual companies to institute and observe their own code of conduct. In response to ALNI advocacy for social protection due to the Asian crisis, ADB has offered training and literacy programs for retrenched workers. The trade unions argue that this is not enough. ADB should instead -- get a better understanding of the crisis; involve trade unions in the design and implementation of safety nets; involve trade unions at the national/international level.

A number of active labor market programs (ALMPs) are recommended -- Trade unions are interested 'self-interestedly' in creating jobs which can be unionized; There is need for a new social compact to counteract market failures; ALMP must not be 'bolt-ons'; Trade unions must be present at the start; Trade unions

must renegotiate jobs; Trade unions should engage in cooperative partnerships (although this is viewed by NGOs as a 'betrayal').

Opposing positions on liberalization, deregulation and privatization sometimes pit the trade unions against NGOs, with the former's tendency to take a more nuanced position on these three policies. This division can be very damaging. Instead, a new alliance must be built on better understanding of each other's issues and concerns. NGOs, for instance, need to hone up on trade union work, while 'labor people' should get a better handle and appreciation of 'NGO issues'.

#### **PLENARY DISCUSSION**

- There is as yet no three-cornered dialogue among trade unions, government and the ADB but there are bilateral talks going on between trade unions and government and between trade unions and the Bank. There ought to be joint advocacy with the ADB between labor and NGOs to ensure freedom of trade union activity.
- Two observations -- All associations should aspire to the status and clout of trade unions. Caution must be taken in looking too much to IFIs to influence government in our favor; there is a danger in inserting IFIs between governments and NGOs/CSOs, no matter how dictatorial the former are.
- ALNI is all for using core labor standards as something they should observe in their dealings. To resolve the division between the trade unions and CSOs, there needs to be more dialogue.

<b>Session 6: SUB-REGIONAL COOPERATION INITIATIVES IN ASIA-PACIFIC</b>
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Subregional economic cooperation schemes supported by the ADB are basically 'policy enclaves' which makes the Bank's efforts to reform and restructure its member economies towards globalization much more efficient when implemented on a subregional scale. These initiatives are a vital component of ADB's Private Sector Development (PSD) strategy where the Bank acts as an 'honest broker' between Asian Pacific governments and the private sector. Examples are Greater Mekong Subregion (GMS), BIMP-EAGA, Central Asia, South Asia and the Pacific Islands.

ADB usually introduces these schemes through Regional Technical Assistance (RETA) grants that fund conferences where government officials and the private sector can come together and discuss how governments in the region could no longer finance the huge investments needed in vital sectors (e.g. power, transport, telecommunications) for further economic growth. ADB's technocrats usually supply the data and 'analysis' to bolster these claims. Civil society organizations (CSOs) are not usually invited to these conferences, except perhaps in 'Environment Working Groups' that may be created and as long as participating governments (or 'economies') do not have vigorous objections to CSO participation.

#### **SREZs in Asia**

*Presented by Ms. Joy Chavez, Focus*

Subregional economic zones (SREZs), also known as growth polygons (growth triangles, quadrangles, quadrilateral) are transnational but contiguous areas joined to enhance economic activity. SREZs/Growth Polygons in Asia include the following:

- ♣ *South China Triangle* (Hong Kong, Taipei and Southern China)
- ♣ *Tumen River Delta Triangle* (Japan, South Korea, Northern China, Siberia in Russia, North Korea)
- ♣ *Northern Growth Triangle* (Indonesia-Malaysia-Thailand [IMT GT], Southern Thailand, northwestern Malaysia, northern Sumatra)
- ♣ *Southern Growth Triangle SIJORI* (Singapore, Johor State of Malaysia, Riau and West Sumatra of Indonesia)
- ♣ *BIMP-EAGA Polygon* (Brunei; Kalimantan and Sulawesi provinces of Indonesia; Sabah, Sarawak and Labuan in Malaysia; and Mindanao and Palawan in the Philippines)

- *Greater Mekong Sub-Region (GMS)*, formerly, Golden Quadrilateral (Northern Thailand, Myanmar, Laos, and the Yunnan Province of China, Vietnam and Cambodia)
- *South Asia Growth Quadrangle (SAGQ)* (Bangladesh, Bhutan, India and Nepal)
- *Central Asian Republics (CARs) Regional Cooperation Program* (former Soviet Central Asian republics of Kazakhstan, Kyrgyz Republic, Uzbekistan, and, upon their membership in the ADB, Tajikistan and Turkmenistan, and Xinjiang PRC)
- *South Pacific Regional Cooperation Program* (Pacific Islands DMCs)

The Asian Development Bank has taken the lead in the masterplan for three SREZs: the GMS, the IMT GT and the BIMP-EAGA. It has also supported initial studies for the SAGQ, the CARs, and the Pacific Cooperation Program. The prominent role now being played by ADB in determining the direction SREZs take presents new issues that undermine the integrity of SREZs as a potential socially relevant development tool:

- ♣ *Little attempt to make regional cooperation studies more inclusive* -- no participation of communities and non-government organizations in the drawing up of sub-regional plans; no space is left for them to occupy in the supporting structures that were set up to implement, monitor and plan SREZ efforts; issues raised by communities and NGOs are dealt with, case by case, using different yet still limited ADB policies on Cooperation with NGOs, Inspection Function, and Resettlement.
- ♣ *The ADB's involvement produced very expensive SREZ plans* -- Masterplans ultimately make for more ambitious programs and huge financial requirements, way beyond the need and the reach of local populations; Imbalance in focus; 'project pushing' ; ADB's record of supporting infrastructure projects that performed poorly in terms of social sensitivity, sub-standard environmental impact assessment, and unmitigated environmental impacts
- ♣ *The huge debt expected to be created* -- The basic issue is not whether or not governments or private companies should contract debts, but whether the amount of loan is considerably pushed up by less than judicious project design. Must SREZ projects always be big?
- ♣ *ADB's desire to steer policy direction (policy piloting role)* -- "influence over policy and the reform process is more readily effective when a loan is being processed" because "when a loan is given, policy and institutional reform will be included as a substantive component of the loan."
- ♣ *ADB redefining its role from direct fund provision to facilitation*

<b>Session 7: IDENTIFICATION OF PRIORITY ISSUES FOR ACTION PLANNING</b>
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The following key issues that arose from two days of discussion were identified as priority issues:

- ♣ The ADB's poverty reduction strategy, which ascribes to the private sector the role of promoting growth and reducing poverty, is based on criteria determined largely by the Bank.
- ♣ Privatization of public utilities, state-owned enterprises and social services.

### **DAY 3, 2 APRIL 2001**

#### **Identifying Priority Issues**

*Facilitated by Mr. Egoy Bans, FDC*

The workshop group discussion was preceded by the following floor deliberations on how it should be conducted. Suggestions for conducting the workshop discussion:

- Poverty reduction is the overarching goal
- Privatization is also an important concern
- The Poverty Reduction Strategy is a recent effort of the bank but there are other earlier issues, for instance, privatization which has implications/permutations that are unique to it

*Mr. Fernando:* Do we agree that the Bank should have a mandate for poverty reduction? We have to first decide on this. Do we ask the ADB to be honest and openly say what they are about? In which case, is there any other program for poverty reduction other than those proposed by the MDBs?

*Mr. Sherma:* I support the suggestion to also focus on privatization. We have to prepare an NGO counter strategy to privatization. We cannot do that without gathering empirical evidence.

*Ms. Chavez:* Privatization and poverty reduction are not mutually exclusive. We cannot say per se that privatization is bad. But have we really come to the conclusion/agreement that we do not want privatization and just let government do all these things for us.

*Mr. Fernando:* If we cannot come up with an alternative strategy for poverty reduction, we might hesitate to say that ADB's strategies do not work. We need to have a clear alternative poverty reduction strategy.

*Ms. Corral:* The 2000 publication "ADB: Creating Poverty in Asia", jointly produced by Focus and NGO Forum, is a clear indictment of ADB's role in further impoverishing peoples in the region.

*Mr. Serrano:* Since poverty is the overarching focus then it should be the key/umbrella to guide civil society mobilization. Related issues can be subsumed under this. For privatization, do we concentrate only on water to the neglect/exclusion of all else? I myself am more interested in subsidies, hidden and explicit. The desirability of saying "No to privatization", without qualification, is that, like what happened in the Batt le in Seattle, it will provide us with a coherent campaign statement.

*Mr. Bans:* I suggest we adopt PRSP (poverty reduction strategy paper) as the major theme of advocacy, challenging the ADB's notion of private sector as engine of growth and upon showcasing impacts of privatization of utilities, then we can decide.

*Ms. Chavez:* We are part of the world social forum, but if we are going to have a concrete strategy, we should have something with which to talk with our governments, and communities.

*Mr. Asper:* Let us focus on something concrete and not nuanced since the objective is campaign. I support Egoy's suggestion: limit the campaign to a specific agenda, e.g., water. Among ourselves, let us not be deluded by cute slogans, but let us not nuance the paradigms about privatization. My position is "no to privatization, but in certain cases it may be yes". Let us not debate privatization but pick out common themes. ALNI will go with you as far as lobbying ADB on privatization. But we view privatization as only one of the three pillars of the neoliberal framework. In the trade union movement, we emphasize these pillars depending on how these impact on the jobs of our members and the rest of labor. But let us do away with those differences in the meantime and agree on a practical one-year focus.

*Mr. Fernando:* When we say we oppose privatization it does not mean ascent to state control. Privatization is a process of creating strong monopolies and small operators.

*Mr. Nanri:* ADB is supposed to finish their in-country strategies for poverty reduction within 2001. So we should prioritize areas of action in consideration of this deadline.

*Mr. Marquez:* I support poverty reduction as the overarching theme of the campaign. But let us clarify our objective of poverty reduction vis-a-vis the Bank so that we can identify specific activities and indicators for success.

*Mr. Bans:* Do we agree on the overarching theme of poverty reduction based on the three pillars, but highlighting privatization of public utilities?

*Ms. Chavez:* Why not change the theme to "ADB creating poverty in Asia"?

***Consensus: ADB creating poverty in Asia, showcasing privatization of public utilities.***

### Identification of workshop discussion themes

For the workshop, two main discussion areas were identified:

1. The Bank's Poverty Reduction Strategy (Group I)
2. Privatization policies and programs (Group II)

<b>Session 8:            WORKSHOP PLENARY REPORTING AND ACTION PLANNING</b>
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### Workshop Group I – Poverty Reduction Strategy

*Members:* Mr. Jude Alon; Mr. Egoy Bans; Mr. P K Dilena; Mr. Sarath Fernando; Mr. Don Marquez; Mr. Takahiro Nanri; Ms. Eileen Rillera; Mr. Chimm Van Deth; Mr. Ahsan Wagha; Ms. Jinki Macalintal  
*Rapporteur:* Mr. Bans

*Situationer.* A new Poverty Reduction Unit has been created at the Bank's Strategy and Policy Department (SPD). In each recipient country, the ADB will: 1) conduct poverty analysis; 2) organize a High Level Forum (HLF); 3) formulate the Country Operational Strategy (COS); 4) make a Partnership Agreement; 5) formulate the Country Assistant Plan (CAP); 6) follow project cycle (identification, design, implementation, and evaluation of projects). Poverty reduction processes have been initiated by the ADB in Indonesia, Philippines, Mongolia, Thailand, Cambodia, Laos, Vietnam, Burma, Bangladesh, Bhutan, India, China, Maldives, Pakistan and Sri Lanka.

The PRSP as it is currently being formulated is not expected to have a significant impact on poverty reduction. It measures poverty in terms of income and purchasing power and generally marks no departure from previous other programs. Instead, it would seem to serve mainly the Bank's interests as it will give the ADB a fresh mandate and legitimize many of its programs. Poor people are the legitimate authors of any poverty reduction strategy. Their alternative paradigm for it is based on community access and control of resources.

The challenge for the NGO Forum ADB is two-pronged: to assess/critique previous poverty reduction programs and influence country/regional/international level processes leading up to the current PRSP in order to ensure that the perspective of the poor on poverty is integrated. The group issued the following statement prior to recommending concrete action points:

*'Poverty is created as a consequence of the intervention of the ADB and other MDBs/IFIs in our communities. They (these institutions) pushed us out of our lands, destroyed our traditional and indigenous sources and modes of livelihood, taken and destroyed our natural resources and environment, made our peoples powerless and hindered our full development potential*

*These MDBs have no right to say our communities are/were poor, less so define a poverty reduction strategy for and in behalf of our people.*

- *We challenge the ADB's Poverty Reduction Strategy as its framework for intervention in our countries.*
- *We challenge the Bank's assumption that the private sector is the engine of growth. We believe that private-sector led growth only promotes big capital and has resulted in massive process of the poor being compelled to subsidize the rich.*
- *We challenge the Bank's involvement in policy formulation and its use of our countries' debt dependency to exercise hegemony.*
- *We challenge the Bank's poverty assessment and definition of growth based solely on incomes and purchasing power.*
- *Further, we challenge "globalization" as designed by the global economic powers, imposed through WTO, GATT, and regional trade agreements compelled upon poor countries through debt dependence and related mechanisms. Our people have much bigger capacity to plan for our genuine development.*

- *We need people-designed and people-defined programs and strategies for development through the processes of peasant groups, trade unions, women's groups, environmental activist groups, community based organizations and advocacy groups.*
- *We need a development framework that ensures food security, sustainability, protection of biodiversity and respects individual and community rights.*

#### *Action Points*

1. Delay the PRSP/CSP process/consolidate the network position
  - Fund raising for study sessions (to find alternatives)
  - Timetable for study session: August/Sept 2001
  - **Signed up: EFL, MONLAR, DAMAAN, SUNGI, NGO Forum on Cambodia, FDC**
2. Issue a statement on private sector role in growth promotion
  - Initial draft/outline of database/research
  - Timetable: statements/positions to be used in Bankwatch and the Honolulu meeting. Statements subject to further critiquing
  - **Signed up: MONLAR, Pro-Public, FDC, NGO Forum, Focus on the Global South**
3. Make an impact assessment of ADB projects
  - Projects tabled for impact assessment: CRBIP, Highway 1, Samut Prakarn
  - Get current/past evaluation of ADB projects
4. Conduct special studies
  - Specifically on privatization and private sector role
  - Make use of the 200 village project findings of ANGOC

#### **Workshop Group II – Privatization**

*Members:* Mr. Antonio Asper; Ms. Joy Chavez; Ms. Violeta Perez-Corral; Mr. Lodel Magbanua; Mr. Gani Serrano; Mr. Prakash Mani Sherma; Ms. Kyoko Zshida; *Facilitator: - Rapporteur:* Mr. Magbanua

*Situationer.* NGOs are critical of privatization, but acknowledge the need to gather evidence for or against such policies/programs. Networking and campaign building are other recommended actions.

#### *Action Points*

1. Campaign on water privatization
  - Convene a task force. Identify focal point NGOs (**Signed up: Pro-Public, EFL, MONLAR, NGO Forum in Cambodia, FDC, ALNI, Focus, NGO Forum on the ADB**)
  - Join NGO Forum's List Serve or better yet have NGO Forum set up a separate list serve for water privatization.
2. Establish a database
  - Actively monitor ADB water privatization (processes, restructuring).  
**Signed up: NGO Forum on the ADB, Focus**
  - Monitor private sector (equity) operations/investments of the ADB (for which ADB can be held liable).
  - Issue a white paper on the water privatization strategy of ADB.  
**Signed up: EFL, MONLAR**
3. Networking and capability building
  - Actively seek/involve communities affected by ADB funded (water) privatization.
  - Include where possible Pacific based NGOs.
  - **Signed up: NGO Forum on the ADB**

4. Prepare a Resource Book/Best Practices on Alternative Ownership, Management and Control Models
  - Conduct research and hold conferences.
  - **Signed up: NGO Forum on the ADB, Focus, JACSES, for years 1-3**
5. Support campaign activities of individual members.
6. Join/participate in panels/forum on privatization in NGO parallel events in Honolulu.

**Initial Plans for the Honolulu Meeting**

Parallel NGO events will be held from May 5-11, 2001. There is a call to action against the ADB scheduled on May 9, 2001. Since not all NGOs in the Forum and elsewhere can be able to join the Honolulu mobilizations they have been requested to organize in-country activities, e.g. human chain around the ADB office in Manila, Philippines. An International Solidarity Day, spearheaded by organizers of the Honolulu protests, is being planned. Signed up for International Solidarity Day: FDC, Damaan , Sungi, MONLAR, EFL, SST, Pro-Public.

<b>CLOSING SESSION</b>
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The conference organizers, Mr. Nanri and Ms. Corral thanked the participants for their active involvement in discussions in the last three days, and looked forward to working with the participants towards initiating and implementing the action points recommended during the workshop. Mr. Nanri acknowledged the work done by Ms. Corral and the other members of the secretariat: Ms. Rillera, Ms. Makalintal, and Ms. Debuque.

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**Annex B**  
**LIST OF DOCUMENTS**

Document Number	Title
<b>NGO/CS CAMPAIGNS</b>	
1	<i>A primer on the MDB campaign, Antonio B Quizon/ANGOC</i>
2	<i>NGO Forum's Priority Issues</i>
3	a) <i>A Global Call to Action from ADBWatch Hawaii - No Aloha for the ADB!</i> b) <i>International Day of Action Against the ADB (9 May 2001)</i> <i>ADBWatch Line-up of NGO events</i>
4	<i>Thai social movements and the anti-ADB campaign: The Chiang Mai experience, Teresa Encarnacion-Tadem/UP (2000)</i>
5	<i>Jubilee South analysis and position on debt relief initiatives</i>
6	<i>Asian Labor Network on IFIs (ALNI)</i>
<b>ADB OPERATIONS (GENERAL)</b>	
7	<i>ADB Operations Update</i>
8	<i>ADB News releases (2000 to date, titles only)</i>
9	<i>ADB and Japan – Special Funds, Eileen Rillera, NGO Forum on ADB (March 2001)</i>
10	<i>Sources of ADB funds ADF, OCR, GCI, Eileen Rillera, NGO Forum on ADB (Mar 2001)</i>
11	<i>Report on the redesign of ADB's operational business processes (Feb 2001)</i>
<b>ADB POLICIES &amp; RELATED PAPERS</b>	
12	<i>ADB policies and strategies (listing from ADB homepage)</i>
13	<i>Selected ADB policies – Poverty reduction strategy, Gender and development, Indigenous Peoples, ADB-NGO cooperation, Inspection policy, Involuntary resettlement</i>
14	a) <i>'Poverty reduction' initiatives at ADB, Violeta Corral/NGO Forum (Mar 2001)</i> b) <i>Results of initial discussions among NGOs/CSOs on the National Poverty Reduction Strategy of Cambodia, NGO Forum on Cambodia (Oct 2000)</i> c) <i>Results of initial discussions among NGOs/CSOs on the National Poverty Reduction Strategy of Cambodia NGO Forum on Cambodia (Oct 2000)</i> d) <i>Key building blocks for a poverty reduction strategy, World Bank (Mar 2000)</i> e) <i>Notes on the World Bank's "World Development Report 2000-2001: Attacking Poverty, ICFTU/Washington Office</i>
15	a) <i>New 'NGO Center' at ADB, Violeta Corral/NGO Forum (Mar 2001)</i> b) <i>ADB beefs up relations with NGOs to fight poverty, ADB Review (1999)</i> c) <i>An NGO's opinion, Toshiyuki Doi/Fukuoka NGO Forum on ADB/Japan NGO Forum on ADB (1999)</i> d) <i>NGOs add new dimensions to (ChiangMai) Annual Meeting, ADB Review (May 2000)</i> e) <i>NGO praises ADB's work in Cambodia, ADB Review (Dec 2000)</i> f) <i>34<sup>th</sup> ADB Annual Meeting attendance of NGOs</i> g) <i>NGO accreditation to ADB meeting in Hawaii (May 2001)</i>
16	<i>Policy on confidentiality and disclosure of information</i>

17	<i>ADB drafts new environment policy</i> , Violeta Corral/NGO Forum (Mar 2001)
18	<ul style="list-style-type: none"> <li>a) <i>Dams and development – ADB Pres Chino's letter to Chair of WCD</i> (22 Dec 2000)</li> <li>b) <i>Statement by OESD Chief on WCD</i> (Feb 2001)</li> <li>c) <i>Proposed environment policy and the WCD's strategic priorities, best practices and institutional responses</i>, J Warren Evans/Manager, Environment Division (Feb 2001)</li> </ul>
19	<ul style="list-style-type: none"> <li>a) <i>ADB's inspection function under review</i>, Violeta Corral/NGO Forum (Mar 2001)</li> <li>b) <i>The ADB's inspection function – Two views</i>, Violeta Corral/NGO Forum (Mar 2001)</li> </ul>
20	<ul style="list-style-type: none"> <li>a) <i>Going private</i>, ADB Review (Dec 2000)</li> <li>b) <i>Privatization network (WB/ADB) and modus operandi</i>, Violeta Corral/FDC Aug 00)</li> </ul>
21	<i>Update: ADB's governance and anti-corruption policies</i> , Eileen Rillera/NGO Forum on ADB (March 2001)
22	<i>ADB and the Asian Crisis</i> , Eileen Rillera, NGO Forum on ADB (March 2001)
23	<i>Punishing the poor: Debt, corporate subsidies and the ADB</i> , Chris Adams/FOCUS (Oct 2000)
24	<ul style="list-style-type: none"> <li>a) <i>Regional cooperation in Asia-Pacific</i></li> <li>b) <i>Greater Mekong Subregion</i>, Violeta Corral (Oct 2000)</li> </ul>
25	<ul style="list-style-type: none"> <li>a) <i>ADB TA – Strengthening the role of labor standards in selected DMCs</i> (Dec 1999)]</li> <li>b) <i>Globalization and labor market challenges: The role of trade unions</i>, Noriyuki Suzuki/ICFTU-APRO (Feb 2001)</li> </ul>
26	<i>Education Policy</i> (draft, March 2001)

#### **ADB PROJECTS**

27	CAMBODIA – <i>Report on field survey of people affected by National Highway 1 Improvement Project – Neak Leung to Bavet</i> , Working Group on Development Banks of NGO Forum on Cambodia (June 2000)
28	NEPAL – Melamchi Water Supply (Engineering) Loan
29	PAKISTAN – <i>Chashma Right Bank Irrigation Project (CRBIP): DAMAAN facilitates CRBIP-affectedees seek help in Islamabad</i>
30	PHILIPPINES – <ul style="list-style-type: none"> <li>a) <i>Power sector restructuring program</i>, ADB</li> <li>b) <i>ADB extends power sector loan by two years</i>, PDI (Feb 2001)</li> </ul>
31	THAILAND – <i>The ADB-Funded Samut Prakarn Wastewater Management Project in Thailand: Advocacy for Accountability</i> , Nurina Widagdo and Genevieve Gencianos, Bank Information Center (July 2000)