

WB-JBIC-ADB Infrastructure Study
 11:00am – 12:00nn, Room 4454 South
 March 31, 2005

| NAME | ORGANIZATION |
|---|---|
| <p><u>NGO</u></p> <ol style="list-style-type: none"> 1. Tumiwa, Fabby 2. Hadad, Nadia 3. Shimizu, Noriko 4. Hasyim, Zainuri 5. Klei, Saw Htoo 6. Simon, Michael 7. Jin, Jun 8. Withanage, Hemantha 9. San Juan , Jayson <p><u>ADB Staff</u></p> <ol style="list-style-type: none"> 10. Nangia, Rita 11. Nicoll, Sandra | <p>WGPSOR – Indonesia INFID FOE - Japan YDA – Indonesia ECDD – Burma OXFAM – Australia Green Watershed CEJ – Srilanka FDC</p> <p>Director, RSFI NGOC</p> |

- Director, RSFI made a powerpoint presentation on “Connecting East Asia: A New Framework for Infrastructure” study (presentation attached).
- The infrastructure challenge needs to consider ‘five stories’ which are economic, spatial and demographic, environmental, political and funding.
- The new framework is anchored by inclusive development, with coordination, and accountability and risk management (details in presentation attached).
- The Study summarizes 12 messages and recommendations to consider for the way forward (details in presentation attached).

Discussion:

Some NGOs who participated in the survey conducted under the study had questions about how the survey information will be used. This point was raised because some NGOs gave responses with qualifiers. Another NGO felt that the survey methodology was weak. Surveyors would call the same person three times in a day, and not realize they were talking to the same person. When NGOs had questions of clarification for the surveyors, they could not satisfactorily answer the questions.

There was some discussion about participation. ADB responded that it relates to the decision making process. We need to deepen and broaden the poverty agenda through greater accountability. The NGOs noted that parameters for inclusive development models are important and need to be developed.

A question was raised about whether there were any surprises in the 12 recommendations for the way forward. ADB responded that there were no big surprises although it is interesting that the Study moves away from the view that it is always better to privatize and subsidies are always a bad thing. It is now recognized that subsidies are appropriate in some circumstances. The NGOs pointed out that they have been saying this for a long time.

A question was raised about whether the report examines the link between infrastructure, poverty and growth. This is analyzed in the report by Steve Jones, which is a component of the Study.

The Study highlights the importance of enabling competition. Although this can be difficult in the infrastructure sector, much can be gained even if just a fraction of the market, say 15-20%, operates in strong competitive markets.

The debt service problems Indonesia faces were raised. How can a country like Indonesia take on more debt for infrastructure? ADB replied that it is important to establish fiscal space to generate revenues. Economic growth has the potential to break the circle of debt.

One representative recommended that the World Commission of Dams report and the Extractive Industries Study should have been considered in the Infrastructure Study.

A question was raised about whether ADB policies would be revised based on the Study. ADB responded that the policy review process has its own schedule of timetables. However, the Study is viewed as 'good practice' and implications of this report on ADB's operations are being worked out through country level strategies.