

Some Notes from the Consultation on LTSF

**Bishkek
10 August 2007**

Prep-session: Kyrgyz delegates had the prep-session on LTSF, MTSF, EGR. The prep-session was very helpful, because we were able to prepare most important questions to be raised during Questions and Answers session.

Participants: The consultation was attended by 16 NGO representatives from Afghanistan, Armenia, Azerbaijan, Kazakhstan, Georgia, Mongolia, Pakistan, Tajikistan Turkmenistan, Uzbekistan and Kyrgyzstan. There was no one of journalists. The ADB was presented by Mr. V.B.Tulasidhar, senior economist, East Asia Department from the Manila ADB Headquarters; Mr. Ashraf Malik, head of ADB KYRM, and several ADB KYRM staff-members. At the same day, after lunch time LTSF consultations were conducted for private sector representative of the same countries.

Session: The consultation started with a welcoming speech by Mr. Ashraf Malik, head of ADB KYRM, he presented the Agenda and Process of the LTSF consultations. Then he introduced Mr. V.B.Tulasidhar, who did overview presentation on LTSF 2001-2015. After presentation before starting Questions and Answers session, we requested to not put questions in a bunch and leave the separately, one question one answer. 2-3 minutes for questions and 5-6 for answers. But our suggestion was denied, as we were informed, they were not planning to give any answer to our questions; this session was to consult us and to get our opinion on these questions. They asked to discuss the prepared questions and kindly give our views. They promised that all our opinions will be recorded and taken to Manila. We asked what would be the mechanism for our comments to be included. And if not, then why. ADB officials informed us that it would not be practical with this strategy. But, as we noticed our concerns, questions raised during consultation were distorted, that's why, and we are planning to write down all our points.

Here are first set of questions raised by ADB:

1. Do you with the key development challenges and risks for the Asian and Pacific region?
2. What are other key challenges and risks that ADB should be aware of?
3. How important is it that ADB and the region address these challenges and risks?

Here are the concerns raised by NGOs:

- How does ADB understand quality of growth? What are the main operator factors for quality of growth? How ADB are planning to achieve quality of growth? Yes, countries reach the growth of 3%. But, from our experience we know that these indicators can be reached in a different ways. Such as paper growth, or one mega project that triggers growth. These are indicators for our countries; however, economic growth is something abstract until we can feel this on ourself. For us as an ordinary citizens it is access to a quality services. But what we can see for today, people's life still difficult, many people go abroad in order to find better life, we have problem of labour migration. And when we're being pursued that we have access to this services I want to stress that it should be qualitative. And it is not indicated in ADB documents, and it does not say anything in the programme of inclusive

growth you have prepared. Economic growth not always means sustainable development. Growth exists always and anyway, but there is not sustainable development.

- The fact that this programme has been developed 5 years ago, and the fact that it still wasn't realized might mean that the basis of this strategy was not developed adequately. Why the sustainable economic growth should be in the center of this strategy? And talking about the environmental sustainability, isn't this the economic growth that causes the damage to it? If we would go back to sustainable development, it is the development that need to satisfy the needs of coming generations, at the same time reserving the resources. Another thing is MDGs and we think that these goals must've been created to flatten the difference between more developed and developing countries. Are we not risking that wrong indicators are putting us at risk of this programme not being implemented other than on paper as well. We don't know about the results of this programme, whether the components were implemented. Regarding ecology, ADB offers to standard procedures, when it is needed to tie economic and environmental factors. And the latter one should be included into the cost of projects realization.
- There is geopolitical risk and one more in strategic directions - sustainable livelihood (instead of economic growth).
- You're offering us the same 4 elements system for good governance. But in our region the situation with political regimes are very different. How can this questions be addressed in authoritarian countries? Also, LTSF says that bad governance leads to corruption. How can corruption be prevented in the circumstances of absence of freedom of speech? Another thing to be mentioned is LTSF connecting good governance with economic rights and freedom. How you are planning to achieve this in authoritarian countries?
- One of the main problems is the absence of access to information. And whatever IFI's are working here, the information about them is hard to disseminate as a large chunk of population lives in rural areas and do not use internet. Second problem is absence of access to quality services. Third problem is absence of access to qualified legal assistance and judicial aspects. And these are problems that are still present in the CA. Another problem is transparency. It is very hard to define. We believe if people won't know what is happening they won't react. There is a need in transparency, so that people know what is happening. All this has to be delivered to citizens.
- 2 more factors should be included into ADB agenda. 1. Global environmental change, which is first of all climate change. 2. Conflicts for natural resources. We think that ADB should consider these 2 things.
- You have mentioned the regional cooperation is very important. However it has been noted that CA countries are different in many ways. If we stress the regional cooperation, the countries of the regions should stay self-contained. If we look at the collapse of soviet union, it shows how it made countries vulnerable. Alongside with regional cooperation, it's important to develop countries internally.
- It should be noted that all priorities mentioned do not correspond with the KZ interests. We would like to see country based approach as well as regional approach.

Second set of questions raised by ADB:

Should ADB's business model remain centered on project financing?

Should ADB take on a larger role in knowledge development?

Should ADB be selective and implement its program and operations increasingly in partnership with other donors?

How should ADB further the advancement of knowledge for development in the Asia and Pacific region?

Is policy dialogue and technical knowledge embodied in its lending operations sufficient?

If not, what else should ADB do?

How could ADB help broaden citizens' access to productive employment and other economic opportunities?

In this regard, what should be the nature of innovative financial instruments for social sector funding and the development of human capital?

What should be ADB's thematic priorities to 2020, should these be, for example, good governance, capacity development, gender, knowledge management?

What are ADB's core competencies? Do you agree that to be effective, ADB should focus on a few core competencies?

What are the competencies that ADB needs to develop in order to address the region's key development challenges and risks?

What innovations in lending and non-lending products and services would you recommend to ADB to improve its effectiveness to address the key development challenges and risks?

Here are civil society concerns:

- Strategic directions. We would be very happy if your bank will accept such a direction as environmental sustainability. However we would like to advise the bank to be consistent in this direction. However, there are inconsistencies between MTS and LTSF, as well as a new energy strategy, which is mostly based on using the natural resources, which affects the climate change. So we see that allowable is everything that will allow the economic growth of so called Asian tigers, such as China, Pakistan, and India. Also I would like to note the carbon quotes trading. This does not resolve the environmental problem. As to regional cooperation and integration, I'd like to say, of course this is necessary, however we need to see clearly how and why it should be done. We can see that ABD promotes that such a project as CAREC, creates CWRD and matches there countries that are different in many factors, so we don't think that bank can be an adequate mediator in this question, and the countries should do this themselves. During the SCO we will see who really works in terms of questions of regional cooperation and integration.
- These three directions could be agreed with, however, the context of these three directions need of some corrections. Poverty reduction for example, the economic growth is not always accompanied by the equal wealth distribution. For many years IFI's are fighting poverty, however it continues to grow. Regarding the environmental sustainability, it should be add that there is a need in better nature use and production practices that will allow to develop economic well being, and preserve the ecology at the same time. Stress should be made on renewable energy, saving and efficiency. Also another resource that is little used, using of traditional knowledge and skills. Often these are very environmentally friendly. People used this for many years, and maybe they should be developed in a more technological way.
- Asia is one of the biggest regions in the world. Talking about ABD's strategic directions they should be focused on the regions. Inclusive growth will be different in CA and WA. Even the 1\$ indicator of the poverty line should be appropriate to Central Asia. Also, talking about urban poverty. Such countries like Kazakhstan where urban population is larger than

rural areas, development should be focused on both. Alongside with LTSF and MTS there should be regional strategies.

- There is a need to change the term poverty into improving quality of life. There is land degradation, in many villages there is no access to irrigation and drinking water which makes it impossible for rural population to abstain from increasing poverty. Of course there are environmental sustainability issues too. We would like to once again stress the importance of agriculture and rural development. It needs technology and knowledge support.
- In this presentation it wasn't noted, but it exists in the strategy. The role of private sector in economic growth. In these cross cutting strategic themes, ADB is planning to carry out reforms of legislative system, and introduce ecological standards. We would like to know what would be the guidelines in creating this standards, ADB's standards or UN norms? Often after such intrusion, things get worse. And we believe, that this thing might put Kyrgyzstan at risk of discordant relation to international documents it had signed. Also in terms of long term approach, the relationship and responsibility between the Bank and Government is often re-delegated as government changes, and civil society often experiences difficulties in finding responsible people. Risks and responsibilities should be taken into account.
- It was always doubtful, when IFI's worked in good governance. It should be done by countries themselves. And in this respect ADB puts decentralization of government services. We would like to say that the issue of decentralization of government services should not lay within the competence of a bank.
- While saying about good governance, you are requesting accountability, transparency in governments. At the same time, there is no information about corruption in LTSF and MTSF. How you are planning to come over this inconsistency? ADB projects provoke high level of corruption due to weak supervision policy. Corruption policy is also weak. Every time we present the integration specialist with corruption, he tells us that this is operational measures. And accountability mechanism is very beaurocratised, in the LTSF there is no part on corruption, but at the same time you're talking about accountability. How you are planning to achieve this?

Wrapping Up: The way of consultation was unusual, like game into one gate, but we had very productive consultation in the sense that we can raise almost all issues we prepared.

Maya Eralieva
NGO Forum on ADB