

BANKWATCH

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Yoksullari oyununuza Alet Etmeyin! Stop Playing with the Poor!

NGOs Launch Alternative Events against the Asian Development Bank
at the 38th Annual Governors' Meeting

by NGO Forum on ADB

Barely twenty four hours before the governors of the Asian Development Bank (ADB) sit with their new president for their 38th Annual Governors' Meeting, dissenters of the institution's policies and programs demand that the ADB must become accountable to their "prime customers" – the poor.

The Turkish Working Group on the ADB and the NGO Forum on ADB (a network of organizations and movements monitoring the impacts of ADB policies and projects in Asia and the Pacific) declare that it is time for International Financial Institutions (IFIs) to stop playing with the poor and exploiting them in the name of poverty reduction.

"The ADB has been getting away with too much for too long," said Hemantha Withanage, Executive Director of the NGO Forum. "They claim that they are reducing poverty but actually they have run roughshod over poor people and we have had enough of it."

According to Ozan Zeybek from the Turkish Working Group on the ADB, "Turkey is a member of the ADB. Our taxes finance part of the ADB's operations which

are then channeled to private construction firms from Turkey. We do not want our tax money to be used for increasing the profits of Turkish companies by exploiting communities in Asia and the Pacific."

In an effort to raise public awareness on the destructive impacts of neo-liberal policies imposed by the IFIs in the name of development, the Turkish Working Group on the ADB, NGO Forum on the ADB, and Focus on the Global South (a regional policy research organization based in Asia) have organized a series of alternative events that include seminars, fora, and a public rally.

According to the organizers of these events, IFIs have increasingly become instruments of an empire made up of a network of Northern governments, multinational corporations and military powers, who are imposing neo-colonialism through their exploitative economic policies. "ADB pays no attention to countries' human rights situations and supports dictatorships as in Nepal and Central Asia," said Gopal Siwakoti 'Chintan', International Convenor of NGO Forum on ADB, "and it must stop now."

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Old Challenges for a New ADB President: Activists Demand Immediate Action

by NGO Forum on ADB

ADB President Haruhiko Kuroda, in a dialogue held with NGO participants today acknowledged that “ADB has to improve its interface with people, definitely.” The NGO participants observed the President admitting that his institution needed to improve its record on transparency and accountability mechanisms.

The issue of corruption and lack of transparency in Asian Development Bank (ADB)-funded projects, human rights violations in member countries and the newly approved ADB public communication policy came into sharp focus during an hour-long interaction between NGO representatives and newly-elected ADB president Kuroda. This interaction was a joint initiative of the ADB and the NGO Forum on ADB (a network of organizations and movements monitoring the impacts of ADB policies and projects in Asia and the Pacific).

The President was generally forthcoming on some issues but was hesitant to make any specific commitments on questions raised. Michael Simon from Oxfam (Australia) said that ADB’s ‘governance’ policy played a big role in determining a project’s effectiveness and sustainability. “ADB should pay more attention to the project affected peoples’ rights and interests,” he added.

In his introductory comment to NGO groups President Kuroda declared a medium-term action plan to work with NGOs. “We should work on an ADB-NGO cooperation framework,” he said. However, when NGO representatives offered strong criticisms against the new communication policy, President Kuroda backtracked: “While information access is encouraged, we must protect the interests of our commercial partners.” The recently

approved public communication policy is being hyped by the ADB as a major step towards becoming more transparent. However, the NGOs and social movement groups have expressed strong objections to this policy for preventing project-affected people from accessing information.

The issue of climate change was also raised during the meeting. Red Constantino, Greenpeace Climate and Energy Campaigner from South East Asia said, “Since climate change threatens us all, the ADB should fund solutions, not pollution.”

“Accountability is a major tool for ensuring transparency, but that is missing in the ADB and its partners,” said Hemantha Withanage, Executive Director of the NGO Forum while updating the President on some serious and critical issues relating to many ADB-funded projects in the region.

Of late, the issue of large-scale corruption afflicting ADB projects and the lack of follow up has been a nagging issue. “Corruption is a potential threat to human rights violations as well as to the success of any development projects,” said Natalia Ablova of the Bureau for Human Rights and Rule of Law, Kyrgyzstan. “The ADB must understand this reality before committing funds and not pass its responsibility on to the recipient countries.” she added. Responding to the question of ADB’s support to dictatorial regimes and human rights violations through its projects, Kuroda said “Our effort to curb corruption is serious. We have been very conscious with governments with human rights violations records.”

NGOs hope that this would be the start of more meaningful dialogues with the Bank, but they remain cautious about future engagement. “The new Bank President Kuroda has raised some expectations for better performance of the most criticized Asian institution in recent years, but his words must be translated into immediate actions,” said Gopal Siwakoti ‘Chintan,’ International Convener of the NGO Forum. “Failing to do so will certainly result in more protests and resistance.”

Newly-elected ADB President Haruhiko Kuroda with Vice-President for Knowledge Management and Sustainable Development Geert Van der Linden (left) and Senior External Relations Officer/NGO Liaison Bart Edes at the NGO dialogue.





Greenpeace in action at the ADB during the 38th Annual Governor's Meeting.

Istanbul Social Forum Joins NGO Forum in Organizing Outside Events

The Istanbul Social Forum joined the NGO Forum on ADB in organizing the outside events for this year's parallel conference on the occasion of the ADB's 38th Annual Governor's Meeting. The outside events, covering fora, lectures, a press conference and rally, were well attended by the Forum delegation. However, no ADB staff members agreed to participate in the outside events designed to make the Turkish public aware of the ADB's role and activities.

ADB Keeps NGOs Away From Governors

During the ADB's Annual Governors Meeting NGOs and Media were provided rooms in a separate building in a Military Museum in Istanbul. Many NGO participants felt that while the ADB talks about ADB- NGO cooperation, the reality is that the ADB wants to keep NGOs away from them.

"We refuse to be contained. Our issues will not be quarantined," said Red Constantino of Greenpeace who led an action yesterday inside the main conference area to bring their reports directly to the ADB delegates.

The ADB has been running away from civil society since the AGM held in Chiang Mai, Thailand in 2000. Shanghai (2001), Honolulu (2002) and Jeju (2003) were held in very expensive venues which made it

impossible for Asian NGOs and the project affected people to attend and raise their concerns.

NGOs and community groups, including farmers and labor unions, brought more than 10,000 people to the events held outside the AGM venue in 2000 in Chiang Mai to question the ADB's role in Asia and the Pacific. This led the ADB to reconsider its relationship with NGOs and project affected communities. As a result, the ADB created its NGO Centre to promote its public relations and to play a facilitation role.

NGOs, however, question how they can raise their concerns if the ADB keeps running away from them.

Central Asian Representatives Attend AGM While Fearing Arrest

Central Asian countries such as Azerbaijan, (external debt USD Million 1,681) Turkmenistan, Kyrgyz Republic, Uzbekistan, Kazakhstan, and Tajikistan located near Turkey are some of the poorest developing member countries of the ADB. Their external debt is as follows: Azerbaijan (USD Million 1,681), Turkmenistan (denotes data not available), Kyrgyz Republic (USD mil 2021), Uzbekistan (USD mil 5006), Kazakhstan (USD mil 22,835), Tajikistan (USD mil 1,116). These countries have records of gross human rights violations in the past few decades, and the few NGO representatives brave enough to attend may face arrest when returning to their countries.

ADB funded projects in these countries do not follow the so-called bank safeguard policies and the public communication policies. Project affected people claim that they have no information on the ADB funded projects and they were not consulted before implementation.

In a meeting with Marita Magpili-Jimenez, the ED for Kazakhstan said "go to your government and ask for information."

NGO Forum on ADB Organizes Panels Inside NGO Room

The NGO Forum hosted three panel sessions at the NGO Room during the ADB's 38th Annual Board of Governors meeting. The topics and speakers were as follows: Discussion on Anticorruption and Governance with Natalia Ablova and Hemantha Withanage, Development Effectiveness and Poverty Reduction with

Isagani Serrano and Gopal Siwakoti 'Chintan', and ADB Safeguard Policies with Mushtaq Gadi and Red Constantino.

All the speakers did an excellent job of refuting ADB's claims on the work that they have done on these issues.

The Asian Development Bank and Azerbaijan

The ADB's Country Strategy and Program Update on Azerbaijan (2004–2006) was based on the interim operational strategy and continues to provide solid justification for Asian Development Bank assistance in the four strategically selected areas or sectors, i.e., assistance for internally displaced persons; agriculture and rural development; social infrastructure (primarily water supply, sanitation, and child development); and roads. These sectors or areas are assumed to continue to be the focus of ADB operations until the new country strategy is prepared.

Unfortunately, the country strategy for Azerbaijan on 2005 like the country strategy of previous years does not show clearly concrete ways to consist its financial assistance in Azerbaijan and respect for human rights, poverty reduction and decreasing corruption level. The policy and practice of ADB in Azerbaijan in the last few years have demonstrated that it is not

possible to provide sustainable development of society by financial support without democracy changes and promotion of human rights. Unfortunately, the monitoring of ADB projects in Azerbaijan by NGOs indicates that there are very big differences between policy goals and the actual results of ADB activities in Azerbaijan. That is why there is anxiety about inefficient use of ADB's investment in Azerbaijan given the new country strategy currently does not foster democracy, promote protection of human rights or support poverty reduction as the main demands for investment in the future.

The new country strategy of ADB notes high level poverty and corruption in Azerbaijan. It is true. But ADB does not have clear mechanism to protect ADB's investment from this corruption system in Azerbaijan. There is anxiety about inefficient use of ADB's investment against corruption; however there should be greater

concern that these investments can be used for fostering corruption. The last country strategies on Azerbaijan were not analyzed to assess any concrete results on poverty reduction. Monitoring of social impacts of ADB projects indicates that there are not serious positive results on the ground so far.

There are not any concrete mechanisms or any demands for analyzing ADB credit contracts and concrete results and impacts of the ADB-financed projects with civil society in these country strategies of ADB. As well as there are not any demands in the country strategy on 2005 for creating transparency mechanisms for implementation of the projects in the future. ADB could create a transparent mechanism for credit lines and for monitoring of impacts of financed projects. Azerbaijan community has a right to know how much and why their children will have debt to ADB.

Differing Perspective between NGOs and ADB

Michael Simon and Jessica Rosien, Oxfam Australia

Accountability

Accountability was a major issue discussed at the AGM. Since NGOs last participated at an AGM the new accountability mechanism has come into operation. While the policy has been significantly improved on paper, and it is still early days, the experience for project affected peoples and civil society groups who have been monitoring the policy has been disappointing. In case of the Southern Transport Development Project (STDP) the so-called problem solving arm was unable to resolve differences between the Bank, the implementing agency and the claimants. At the time of writing the compliance review panel (CRP) are finalizing their report on STDP. How this report is received and acted on in the Bank will be closely scrutinized. NGOs realize that implementation challenges are to be

expected. However, they are happening at the cost of people's rights.

Climate Change

Climate Change was raised as a globally recognized issue of importance. However, ADB still has a lending portfolio directed towards fossil fuel power plants – such as coal fire power plants. The ridiculously low investment in alternative clean energy sources needs to be addressed if the Bank is to play a meaningful role in supporting member countries to improve their commitments to reducing global warming. In the 5th anniversary of the World Commission on Dams (WCD) it must be noted that large scale hydro power should not be part of the portfolio of renewable energy sources.

Evaluation Of Bank Performance – Participation.

Some interesting observation were made in the panel discussion on development effectiveness

- These included an observation by operations evaluation department (OED) that ADB's approach to participation does not improve project effectiveness and that it does not lead to empowerment of project affected peoples.
- The OED noted that in its assessment of how to achieve poverty reduction there are still two quite distinct camps. One that sees poverty-targeted and designed projects (usually small scale) as more effective in addressing poverty issues, while the others believe that projects that lead to macro-economic growth (usually large scale) will be more effective.



Barrel guns outside the NGO and Media Centers. Security at the center remained very tight during the entire conference.

38th ADB AGM In The Midst Of Heavy Police Presence

ADB held its 38th AGM in Istanbul, Turkey in the far west of Asia with heavy police and military guard from 2-6th May 2005. Since 2nd May, a large number of police troops stormed the ancient city of Istanbul creating havoc for the residents and adding to the huge traffic jams of the already congested city.

The ADB originally planned to hold the 37th AGM in Istanbul, but plans were cancelled due to the Iraq war. Instead, the 37th AGM was held in the Manila headquarters as a one-day-only business meeting. Although Turkey is not an ADB borrowing country, it

nevertheless borrows money from the World Bank and lends money to the ADB. However, Turkey's construction industries are involved in the construction of ADB funded projects in other countries.

This year's registration venue was surrounded by old barrel guns and located in a military museum. There are many police guards inside the venues. NGO participants questioned why the ADB, an institution that talks about good governance and democracy, have selected these venues, which are the ruins of a country's undemocratic history.

When Will The ADB Be Relevant And Responsive?

By Gururaja Budhya

Mr. Haruhiko Kuroda, President of the ADB, in the opening session of the Thirty Eighth Annual Meeting of the Board of Governors, Istanbul, Turkey on 4.5.2005 has urged his colleagues to make the institution more relevant, responsive, accountable and focused. It appears that people in high positions always express willingness to initiate new thinking. The necessity is the quick percolation of high thoughts into action that understands and addresses the realities of Indian poor with meaningful actions.

Asian Development Bank (ADB) is extending huge sums for infrastructure development projects to the Karnataka State, India. These infrastructure development projects are implemented by state agencies that are undermining the participation of people and municipalities.

The government of India has passed its 74th constitutional amendment to empower the local urban governments. ADB's entry with huge sums of money has strengthened only the state and central governments while taking away the autonomy of the local democracies. The government of Karnataka is levying tax on open lands due to the assurances given to ADB for raising resources. Thus the ADB projects are contributing to green cover loss and causing deforestation in urban areas in Karnataka.

ADB projects are being increasingly criticized for their lack of openness with their stakeholders and their narrow approach to interacting with project-affected peoples. The new Public Communications Policy of the ADB, which boasts of providing information to the public, does not consider citizens as prime stakeholders.

NGOs Call for Debt Relief for Indonesia

NGO representatives from tsunami-affected countries who came to the ADB's 38th Annual General Assembly called on the ADB for debt relief in conjunction with international aid.

Local and international NGOs have begun to renew calls for a solution to Indonesia's long-standing debt burden. They said that Indonesia needs more than debt moratorium to recover from the biggest human tragedy of our time.

Civil society organizations involved in discussions about reconstruction have raised a number of concerns over the immediate and longer-term future for the tsunami victims. Primary amongst these are the following:

- emergency aid from the international community to be in the form of grants not loans;
 - negotiations for a comprehensive debt solution;
- transparency and accountability on the part of the Indonesian government in the channeling of aid to Aceh, North Sumatra and other affected areas.

NGO Forum On ADB Thanks NGO Center

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