

## Unofficial Transcript

### **Meeting Between CSOs and ADB President Haruhiko Kuroda 10:30 – 11:30 a.m., 3 May 2008 North Convention Centre, Room 106 (IFEMA, Madrid, Spain)**

#### **Bart Édes**

Good morning everyone and welcome to the annual meeting between President Kuroda and civil society representatives. If I may ask everybody to please take their seats. President Kuroda will have a few remarks to make and after which time we will field questions from the audience. I will ask to please wait until you are recognized. President Kuroda...

#### **President Kuroda**

Good morning and thank you for participating in the 41st Annual Meeting. I am pleased to have this opportunity to meet with you this morning. As you know, a great deal has transpired since last year in Kyoto.

A great deal has transpired since we last met in Kyoto, just one year ago. Most importantly we launched Strategy 2020, a new long-term strategy for our vision of an Asia and Pacific region free of poverty. Through strategy 2020, ADB will focus on three complementary agendas: inclusive growth, environmentally sustainable growth, and regional integration.

The strategy recognizes that the region must promote greater access to opportunities by expanding human capabilities, especially for the disadvantaged, through investments in education, health, and basic social protections. It must also improve access by poor people to markets and basic productive assets by putting in place sound policies and institutions. Strategy 2020 also envisions operational partnerships with a diverse group of institutions, including NGOs and community-based organizations.

Energy security is one of the issues receiving priority attention under Strategy 2020. The region's needs are huge and growing, and access to energy is central to growth and poverty reduction efforts. Yet the profound global challenge of climate change means that countries must shift to cleaner energy options to the extent possible. This is why we will significantly increase financial and technical assistance to our developing member countries to reduce their greenhouse gas emissions. Less than 3 weeks ago, for example, we announced support to the development of two wind power projects in India. And I must say that more "green" projects are on their way in the months ahead.

Another significant development was, as you may know was yesterday's agreement by donors to replenish the Asian Development Fund, very valuable endowment used to provide grants and very low-interest loans to some of the region's poorest nations. Since 2001, ADF has supported construction of 38,000 schools and 6,700 health facilities. It has also provided over one million people with clean water connections, and supplied 820,000 households with new energy connections. We expect that "ADF X" will build on these accomplishments with effectiveness and clearly identified priorities.

I know that many of you are interested in the Safeguard Policy Update (SPU), which aims to improve our policies and focus ADB efforts on more effective implementation of projects in ways that better serve and protect the people and environment.

We have organized more than a dozen consultation workshops, which have engaged hundreds of stakeholders, one-third of them I understand from civil society organizations and project affected communities. We have also received substantial written inputs, including from some of you here today. ADB will soon begin preparing a second Safeguard Policy Statement based on the feedbacks received through the extensive consultation process. We will then hold a consultation workshop at ADB headquarters to give stakeholders the chance to discuss the new document. It will also be posted on ADB's website for public comment. We welcome your continued involvement in this process.

As we move forward to implement Strategy 2020, we will count on you to assist us in better serving the marginalized and disadvantaged populations that are the ultimate beneficiaries of ADB's efforts. Your insights, experiences, and involvement can help us to do a better job of connecting with beneficiary communities, and avoiding problems in project implementation.

Once again, thank you for joining us in Madrid. And for your ongoing advice and cooperation as we work toward a poverty-free Asia and Pacific region. I would now like to open the floor to your questions and comments. Thank you.

**Bart Édes**

The 2 largest delegations here at the Annual Meeting from civil society are the NGO Forum on ADB and Public Services International (PSI) and we understand that they will have some questions to post during this period but before we get to those I just would like to ask if there are any other queries from other NGOs and civil society representatives. We have one question here, perhaps the second? Okay, after your question, we would then go to Public Services International.

**Pieter Ijben, EMDA**

Good morning.

**Bart Édes**

Please identify yourself when you ask your question or make a comment.

**Pieter Ijben, EMDA**

Okay. Thank you.

Good Morning. My name is Pieter Ijben from the EMDA Network organization in Luxembourg and I have a question regarding the donor NGOs and donor agencies in Europe. My question is when I looked to the list, the amount of organization represented here from Europe is limited although it is in Spain. What policy could the Bank follow to increase their participation because now with the European Commission working on decentralization to the delegations they have revised their non-state actors involvement. So there is an opportunity now for the Bank to get more involvement from European development agencies and donors. So with the new registration system at the Bank, it might be good to have an opportunity to increase this involvement. What things the Bank could do on that and I would like to put that forward to the platform which I am a member of.

**President Kuroda**

Thank you for raising this important point. The Annual Meeting in Madrid is a good opportunity for both Asian people and European people to interact, and as you may know, ADB itself has established very good relationship with many European institutions including EIB as well as bilateral aid agencies in European countries. I must say that this partnership between ADB and

various European institutions has been very instrumental in bringing about European ideas, European experiences into Asia, and as you suggested, probably we should further intensify our relationship with European institutions and also extend our close relationship with European non-government institutions, civil societies and community-based foundations and of course in Asia, there are quite a few such organizations, foundations and institutions but as you suggested, the increasingly important relationship between Asia and Europe, increasingly important working relationship between ADB and European development institutions. We can gain hugely from contacting with European NGOs and civil society people and ways to enhance such relationship, there maybe various ways, kind of workshops, this kind of free discussion forum or even some joint work in, particularly, climate environmental areas. Thank you.

### **Bart Édes**

The next question will be posed by Annie Geron, the Vice-President of Public Services International.

### **Annie Geron, PSI**

Thank you Bart. We are a global union federation and we represent 20 million public sector workers in 163 countries. And I would like to begin it's not just a one question, combination of comments and some critique and some suggestion. I would like to begin by thanking you, Mr. President for taking action on our last year's proposal for a joint research on labor impact assessment on ADB project. It is slowly but moving forward and I think you can help hasten that by supporting effort to secure the approval of the government where the research is taking place which we understand is a pre-requisite before we can do anything in that particular country which we have chosen. On Core Labor Standards (CLS), we believe that ADB should accelerate the mainstreaming of this very important labor standards, in your project cycle but in order to secure the mainstreaming and really put seriousness on the observance of Core Labor Standards, I think it is appropriately, our proposal is to include CLS in your safeguard policy framework to expand that from the current 3 areas of indigenous people, involuntary settlement, and environment. We would like to draw your attention to the 2007 draft Safeguard Policy updating. It is very very silent on protection of labor. We are very gravely concerned in PSI that we are excluded and we were never consulted in any of those consultation that you mentioned in your brief speech. And therefore, we would like to call upon the ADB to call another round of consultation and to ensure that the trade unions will be included and those other NGOs that were excluded earlier in the process.

Also, in support of the Core Labor Standards, we would like to propose that the ADB should look into the ILO Convention Number 94 and this concerns about public contracts. This will also strengthen the accountability mechanism of ADB in terms of protecting the interest of the public and the workers who will be engaged in those contracts.

And 2 final points: we would like to reiterate, on the part of PSI, our proposal for ADB to create a labor desk and the secondment of trade unionist to ADB because these proposed measures will greatly help improve the ADB's capacity and resources to competently deal with labor issues and concerns. Thank you.

### **President Kuroda**

Thank you. On the first point, I do understand that Core Labor Standard is universally accepted standard in the international community and it is very important. So in our project cycle, we pay great attention to this standard, Core Labor Standard. Although I don't think that it is necessary to include it in our safeguard policies as such but that does not mean that we take Core Labor Standard lightly. No, exactly the opposite, we take it quite seriously and in our project cycle, in

our project design and implementation, we pay duty to this important standard and of course, at any time, we are prepared to talk with your people and consult with your people on this very important issue.

The second point, in our project implementation, we always ask our executing agencies of developing member countries (DMCs) to take care of workers involved in ADB-financed projects and I am of the view that most of executing agencies in developing member countries do accept this requirement and do pay appropriate regard to protect the workers from misuse or any dangerous working environment. And the final 2 point that you've raised, the labor desk as well as secondment. At this stage, we think that RSDD with appropriate divisions as well as NGO Center can deal with labor issues particularly relationship with various organizations in this field, quite appropriately and secondment is a bit separate, different issue. Certainly, we accept some secondment from member governments but accepting secondment from outside government may have some issues and as I said our department, RSDD, with appropriate staff can certainly further strengthen interaction with your organization or similar organizations in the area of labor standards and particularly workers in the public sector.

### **Bart Édes**

The many members of the NGO Forum on ADB who are in attendance here have posed some questions that have been very efficiently collected by the Executive Director, who is attending his last annual meeting as Executive Director of the NGO Forum, Hemantha Withanage. So I understand that you will be collecting about 4 questions from your membership. So, to start with.

### **Hemantha Withanage, NGO Forum on ADB**

Good morning, Mr. President. Actually, so we are meeting only after 364 days since last year we never met after that. We sent you a petition last time and you responded through Mr. Dobias. We are happy to receive that response but unfortunately some of the issues how you proceed with those cases we are not happy. We have actually 10 questions but we want to take first 4 questions first and then you can response and then after that we will take other cases so we can save time. The first 4 sets, 4 questions will come from Parviz Umarov from Kyrgyzstan, the 2<sup>nd</sup> question will come from Zakir Kibria from Bangladesh, the 3<sup>rd</sup> question from Jessica Rosien, from Oxfam Australia, 4<sup>th</sup> question will come from Isagani Serrano from the Philippines.

### **Parviz Umarov, Tajikistan**

Good morning Mr. Kuroda. I am Parviz. I am from Tajikistan. I would like to attract your attention to following issues arise by several Central Asian focus in June. ADB in Central Asia is financing agriculture particularly cotton industry. Uzbekistan is the 2<sup>nd</sup> largest exporter of cotton in the world. Tajikistan is hailed dependent on cotton as a source of income in hard currency but we on behalf of our colleagues working on these issues on those countries would like to attract the Bank's attention to the extensive use of child labor in this sector. Unusually, last cold winter has hit the entire region and put forward a huge situations about priorities of heating and power. Given credit to the difficult situation and urgent needs of the stage with the fast growing population which according to the Bank will import the supplies of Central Asia's energy. We should not let these countries while seeking access to our resource should not rely on these resources too much because the absolute priorities of the needs of our population and we can assure you that electricity and power heating will also be a priority for our government. All other alternatives will meet vigorous resistance from the part of our people. With the hope, our critical comments and statements will be analyzed and viewed with and we could join walk on elimination of all obstacles and shortcomings. The limited but promising success of the joint forces of the Bank and its critics in 2007 and 2008 demonstrated that an equal opportunity cannot be [unintelligible]. Thank you very much for your attention.

**Zakir Kibria, Bangladesh**

My name is Zakir Kibria. I am from Bangladesh. I am here to ask about the Phulbari Coal Project. Recently we have heard from the Private Sector Department that Asian Development Bank has pulled-out of this controversial project which we think Asian Development Bank should have never considered. But however, we are, we were happy that Asian Development Bank has decided to withdraw from the project but since then we are getting very confusing messages from different sources, so we want a clear statement from you. Has Asian Development Bank pulled-out of this project? If you do not say yes, then we take for a no.

**Jessica Rosien, Australia**

Good morning. My name is Jessica Rosien. I'm with Oxfam Australia. I would like to ask about the SPU process. You have referred to a 2<sup>nd</sup> consultation draft on the SPS which we are looking forward to seeing. I wanted to ask whether you can give a commitment that this draft will do what the intention was of the SPU to improve the coherency, clarity and consistency of the safeguard policies as with the first one which many of our comments, it appears that it actually created more confusion than clarity and secondly, I would like to ask whether you could give a commitment that the TOR for the process of drafting the 2<sup>nd</sup> draft and the consultations will be disclosed and consulted on and also whether if it will be disclosed, what will be released together with the 2<sup>nd</sup> draft? Will that include the operations manual, the budget, glossary of definitions and other accompanying documents? Thanks.

**Isagani Serrano, Philippines**

Mr. President, my name is Gani Serrano from PRRM Philippines, a rural development NGO. Its also part of the NGO Forum. I join the company of unhappy people from the NGO Forum and would like to raise a concern on your Strategy 2020 or the LTSF. There are a lot of concerns that bother us in different places of the document but I just want to mention 2. One, has to do with agriculture, why is it? Why is agriculture not in your core area of concern? That's one, when we know that agriculture and in fact rural, the phenomenon of poverty in Asia is basically rural until now. From the birth of the ADB until now, it's a rural phenomenon and in the light of the food insecurity situation in our region, it seems strange that ADB is not even concerned with that or at least undermining it, even it could be found in different places on the document. Second is the privatization, in the document that you are targeting or aiming for a 50% private sector operation. Why would ADB be so concerned about the sector that can very well take care of itself when it should be concentrating its attention, undivided attention to the poor millions of Asia.

**President Kuroda**

Thank you. On the first issue, I think cotton is certainly a very important sector for Tajikistan and Uzbekistan. However, the ADB has not been involved in the cotton sector in these 2 countries, in Uzbekistan and Tajikistan, we have provided assistance, financial as well as technical to the education sector and to transport sector but no involvement in the cotton sector. Of course, child labor is prohibited by the international law and any child labor must not take place, must be avoided and certainly at appropriate occasion, we can inform respective government of the concerns expressed by you but as I said, we are not involved in the cotton sector in these 2 countries.

The second, Phulbari issue in the Bangladesh economy. ADB will not be involved in the Phulbari project as it is envisaged or as it is designed and this is a very clear decision by the ADB. Of course for Bangladesh, energy is quite important and how to develop the energy sector with sufficient efficiency is key for the economic development and poverty reduction in the

country but I am quite sure that we can assist the Bangladeshi Government in this important area, energy sector with appropriate environmental safeguards and with greater energy efficiency.

On the third point regarding the safeguard policy update, I can assure you that we will have the 2<sup>nd</sup> consultation based on the 2<sup>nd</sup> draft which would take into account various comments made by stakeholders including civil society organizations and the consultation would be as comprehensive as possible and the accompanying document could be provided although I must say that we cannot decide everything in one shot so to speak. Some sequencing is inevitable in any institution or in any areas but we will try to make various information available as much as possible to make the consultation process as productive as possible and I sincerely hope the CSOs will continue to be interested in this issue and continue to be engaged in it. So as to make the final product, our safeguard policy update the most successful and appropriate one.

The fourth point, I must say that I agree in the substance. Now on agriculture, if you look at Strategy 2020 carefully, although agriculture itself may not be included in the 5 core areas: infrastructure environment, financial sector, regional cooperation and education but of course, rural infrastructure is one of the key elements of our involvement in the infrastructure sector, so irrigation, rural road, rural railways and so on and so forth which would greatly assist agricultural development would be supported by ADB in coming years. Also, rural finance is key to many agribusinesses and agriculture itself and here again we would do our best. In the past for instance, we provided huge financial assistance to India to improve rural finance which again is key for agriculture development and rural development. Education technical assistance for agriculture production that is again one of the key areas where ADB would strive for strengthening support in developing countries. So in short, yes agriculture is important as shown by the latest food price inflation so we will continue to be involved in agriculture development particularly rural development through those channels outlined and of course there are various international organizations like FAO, IRRI and so on and so forth and we will step-up partnership with these specialized agencies and research institutions in agriculture areas.

Second point, I must say that 50% is not private sector operations itself. It includes private sector development projects which will be public sector projects and private sector operations themselves could become 50% of our operations. Currently I think that you will find probably about 30% of our operations. So by 2020, in 12 years, the share could increase from 30% to 50% but that does not mean that 50% would be private sector operations. Privatization as you may know, ADB has not taken any sort of a rigid or fixed position. In some countries, in some sectors, privatization may work quite well, but in some other countries or in some other sectors, privatization may not work so well. We have been very pragmatic in promoting privatization, corporatization or rationalization of the infrastructure sector or the areas, public services provided by the public sector. So as I said privatization could be quite useful and could be quite effectively efficient in providing various services to the people including the poor but not always and we have been very pragmatic in this aspect.

**Bart Édes**

May we request the next short bloc of questions.

**Hemantha Withanage, NGO Forum on ADB**

Next 4 questions will come from Stephanie Fried, Titi Soentoro from Indonesia and Yuki Tanabe from Japan and Mishka Zaman from Bank Information Center.

**Stephanie Fried, USA**

Hello. My name is Stephanie Fried with the Environmental Defense Fund. Its an American organization with 500,000 members and we've worked in partnership with Asian CSOs for several decades. I just have one comment on the last question on safeguards. I'm very very concerned about the lack of a concrete response. In order to have a meaningful consultation, the operations manual and the budget, those 2 things must be made public. So if it takes a longer time to write them, then the consultation should be later. The operations manual according to staff contains all of the detailed procedural requirements for borrowers and clients, detailed due diligence, review procedures as well as guidance on project implementation, so it would be impossible to have a consultation without that document and without the budget.

My questions pertain to an article in the Financial Times last week on ADB's private equity investments. We read that the Financial Times reported on material risks associated with ADB investments of over \$600 million in offshore accounts mostly in the Cayman Islands but in another places as well and that these accounts are generating quite poor returns, financial returns but they are also operating under conditions of lack of transparency even within the ADB in terms of reporting. We have deep concerns about the relevance of poverty alleviation of these funds as well as deep concerns about safeguards implementation. So how safeguards are implemented, I may add Core Labor Standards. We have tremendous concerns that in the process of a safeguard review that the existing draft further weakens language on financial intermediaries and looking at this Financial Times report, we feel that in fact those safeguards must be, much more be strengthened.

The questions that I have for you are as follows: Would you agree to make public a list of all projects and companies financed under the private equity fund portfolio? There's about 40 private equity funds. Each has companies and projects. So that's the first question. Would you make those public? The second question is would you make public all environmental and social assessments that includes environmental management reports associated with these private equity investments. We would also like to have made public an explanation of the Bank's due diligence procedures about the environmental and social safeguard but also about anti-money laundering statutes. The extent to which the ADB has done due diligence on the involvement of former ministers, politically exposed persons which triggered anti-money laundering statutes. The last question in this sequence is the ADB Board has just voted to approve 5 new private equity funds about a week or so ago. Does the ADB have exit clauses written into those contracts? So, in other words, is the ADB money locked in for 10 years or can the ADB exit if development objectives are not being met? Does the ADB have veto clauses in those contracts which will allow it veto power which to prevent investment in things on ADB's prohibited list or things which violate environmental and social safeguards. So that's exit clause and veto clause. Thank you.

**Titi Soentoro, Indonesia**

Thank you for the opportunity to raise the concern of the community from Aceh. This is related to the cement factory that ADB approved in April 2007. So, this loan was approved under highly irregular condition in violations of ADB environmental and social safeguard requirements, non-compliance with Indonesian laws without proper public consultation and true disregard of clearly destructive industry [displays photo]. On December 27, more than 3,000 people staged demonstrations and one of the pictures is showing their problems because before the tsunami hit the factory, the area was polluted by the cement dust. So this is, they described how the cement came into their houses and then through the windows and then covered all the food. So it means, because there is no proper public consultations, people are insecure what will happen with them with the reconstruction so therefore they staged these demonstrations and they

request particularly for the revision of the environmental impact assessment. So the loan is not disbursed yet so we ask you to declare loan effectiveness, not to declare the loan as effective until the demands of people to revise the environmental impact assessment is fulfilled and other social and economical concerns and also to ensure that the company does not protect themselves with using para-military to fence them off from the people. So it is the call from the community in Aceh that you really take immediate response to their call.

**Yuki Tanabe, Japan**

My name is Yuki Tanabe. I work for Japan Center for Sustainable Environmental Society. I would like to raise controversial hydropower project in Nepal because Nepali couldn't come here but we have been working for this project. So, first of all, there are huge displacement. More than 12,000 people will be displaced to 100 km away from the living area. So, ADB has never experienced such a huge number of displacement in Nepal but according to the resettlement plan [unintelligible] of natural products such as wild plants and fruits, vegetable or fish will be ordered only to grant compensation and the project sponsor will not provide more realistic option like tree planting or fishery farms of the resettlement so the displaced people could not maintain their lifestyle and livelihood. The second, the environmental impact would be huge issue. The Bardia National Park is located 140 kilometer downstream of the dumpsite but in this area there are so many critical species like Ganges river dolphin and crocodile and some river deers but the EIA of the project does not include the scope, the scope of EIA does not include the national park so the environmental impact will be very serious. Thirdly the consultation problem, many affected people expressed their concern and disagreement with the project. In fact local affected group sent a letter to you in July 2007 to request ADB to reconsider the finance but ADB has not response about their concerns only submit a notification receipt. There is a serious lack of accountability as a international public institution. Now ADB, the ADB board is now planning to discuss for approval the project in September 2008 so I would like to ask you whether you are going to propose this project while there are still many problem is still in the ground. Thank you.

**Mishka Zaman, USA**

Three days ago, a group in Washington called the Government Accountability Project issued a press release about a recent PricewaterhouseCoopers audit of the ADB's work in Afghanistan on 3 TA projects. The PricewaterhouseCoopers audit indicates that there was fraud, mismanagement and misuse of funds in those projects and concluded that 21 of the 26 allegations made by the whistleblower were true. The whistleblower submitted his evidence to ADB in 2006. He was later terminated and later blacklisted by the ADB. Can you explain as illustrated by this case, why it takes so much effort to bring corruption claims to the ADB and have them investigated fairly? And secondly, do you think the ADB complied with its anticorruption policy in this case? If I may ask a follow-up on Phulbari. I've been asked by the NGO Forum to do this. On Phulbari, we heard you say the ADB will not consider Phulbari as it is currently designed. Does this mean ADB will consider funding Phulbari if it were redesigned? And can ADB issue a statement which clearly explains its position on Phulbari because at the moment there is a lot of confusion. Thank you.

**President Kuroda**

On the first question, I must say that our Private Sector Operations Department (PSOD) has not breached any rules and regulations effective in the Bank. Of course private sector operations tend to be more risky than public sector operations. So that PSOD takes appropriate measures to protect their lending or investment but it is true that private sector operations involve, tend to involve more risks than our public sector operations. At this moment, our public sector

operations tend to be relatively small and also at this moment they are not in great danger or risk because our private sector operations as I said absolute size, absolute scale is still very small and also they are quite diversified. Unlike public sector operations which are relatively big while private sector operation project are small and diversified. Regarding specific questions you raised, some of them I can respond, some others you may directly contact with our private sector operations people. Why ADB or for that matter, IFC or bilateral agencies invest in the private sector? This is basically for economic development and poverty reduction because private sector development is key for economic development and poverty reduction. You cannot continue to rely on the public sector to really eradicate poverty and improve living standard of the people. So, I think private sector development is really key for poverty reduction and in some cases direct private sector operations would be quite effective and efficient in doing so. Difficulty with the private sector operations, one of the difficulties, is that as I said, private sector operations are relatively small and even small, relatively small private sector operations cannot directly reach to small medium size enterprises.

So one way to reach small medium size enterprises, to increase jobs and reduce poverty is to utilize financial sector, financial institutions and one of them is through a fund. The fund supported by other financial institutions, other investors as well as the ADB or IFC or bilateral agencies could channel those funds to small medium size enterprises or even individual enterprises and as such it is efficient and effective way to reduce poverty on the ground but at the same time it does involve another kind of difficulty, that is how to oversee, how to assure the lending or investment made by those funders or financial institutions to SMEs or farmers or individuals, in line with the policy of investors, lenders including IFC or ADB with respect to environment and so on and so forth. Of course when we invest to those funds, we make our due diligence exercise and we ask to those institutions to comply with our environmental, safeguard and so on and so forth. So far, I think many of them, many of those funds and financial institutions, we have provided part of finance have behaved very well but as I have said, this difficult issue and we are mindful of this issue and we will continue to exercise our due diligence over the investment or lending we made in the private sector including those funds.

Second question lies with respect to Aceh, I certainly take note of your concerns and the problems you raised and I would ask my staff in charge of this project to be aware of the concerns expressed by you. As you know after the tsunami which devastated Aceh and North Sumatra, ADB along with UNDP, World Bank and others were asked to reconstruct, rehabilitate infrastructures and asked to help the community to rehabilitate and in many ways our assistance had been effective although I freely admit that reconstruction and rehabilitation projects in Aceh have been initially rather delayed and took more time than we expected but now reconstruction and rehabilitation has been well on the way but as I said on this particular issue, I would certainly take note of your concern.

The third point, the Nepali project, again I would certainly take note of the concern expressed by you. Of course always we squarely follow our safeguard policies of resettlement, environmental protection or indigenous people, so if ever we take up this project, we would have cleared all necessary requirement under our safeguard policies and the accountability mechanism we have as you know is well-developed system, two-tier system and I think the system is working quite well but of course this is not the existing implemented project. This is a possible project and as I said certainly we will take note of the concerns expressed by you.

Finally, the particular program referred to you is related to Afghanistan. As you may know, ADB is one of the biggest donors in Afghanistan. We have various projects totaling more than \$1 billion in financial assistance to rehabilitate roads, rehabilitate electricity grid and so on and so

forth and our work to reconstruct, rehabilitate infrastructure in Afghanistan has been well received and well appreciated by the international community as well as the Afghan people. At the same time, we have number of technical assistance, technical assistances totaling to \$62 million which is quite sizeable for a country like Afghanistan and the particular program you refer to is related to small number of projects most of them kind of pilot project, technical assistance project and as you have said we have a whistleblower and asked the internal integrity division to investigate but also an independent institution outside of the ADB in this case PricewaterhouseCoopers to make full investigation of the case and I can assure you that no money is stolen although they found that a number of mismanagement of this pilot technical assistances and we have already strengthened control of technical assistances in Afghanistan so as not to repeat this kind of mistake in Afghanistan which is really in need of assistance from outside and ADB is formally committed to reconstruct the economy and help the country to substantially reduce poverty and I can assure you that we would never repeat this kind of mistake.

**Bart Édes**

I'm afraid that's all the time we have today. President Kuroda must now attend to another meeting. Thank you for all the NGOs and labor groups who participated today and apologies that we could not get all the questions. You are of course invited to submit anything in writing that you would like ADB management to consider.

**President Kuroda**

Thank you very much for joining us. I hope this Annual Meeting could be a good occasion for various people to interact so as to make poverty reduction a reality, sooner rather than later. Thank you.