

Appeared in Sunday Leader- Sri Lanka on the 23rd April 2006

Protest against holding 39th AGM of ADB

By:

CIVIL society organizations engaged in monitoring the Asian Development Bank (ADB), last week condemned the bank's effort to weaken its safeguard policies.

An open letter signed by over 50 civil society organizations worldwide said "NO weakened standard and YES to accountability."

Several South Asian countries including India, will be protesting against the bank's 39th annual general meeting (AGM) while objections will be forwarded by Sri Lanka as well.

The protest will be carried out due to violations of ADB safeguard policies in many ADB funded projects and the inability for civilians to participate in this meeting due to visa issues and high security issues.

Collectively known as safeguard policies, ADB initiated the review of its involuntary Resettlement Policy, Environment Policy, and Indigenous Policy in July 2005. ADB did so, in fear of losing business from countries whose economies are growing. According to ADB, this update of safeguard policies is to ensure that safeguards requirements are less burdensome for borrowers.

Speaking at a media conference held in Colombo, Executive Director NGO Forum on ADB, Hemantha Withanage expressing views on ADB's Water Policy said, "Water for all set the ADB agenda in the water sector in the Asian region. The public has criticized this policy, which promotes water as a commodity. The tradable water rights, full cost recovery, private sector participation have the set process for converting water as a common good to an economic good. This policy does not recognize the notion, 'water is a human right' instead, it takes the approach of water as a human need. ADB policy has created many negative impacts to the local water sector"

After many case studies, the Civil society organizations claimed they had evidence to prove that many projects funded by the ADB has a negative impact to civilians and named several such projects.

According to the latest ADB Operational Evaluations Department report, ADB has lost 43% of its profits from 2001 to 2004 period. Only Korea, Philippines, India, China, Indonesia and Bangladesh borrow from ADB's high interest loans.

However, commenting on the protest ADB Chief in Sri Lanka Allesandro Pio told The Sunday Leader "We (ADB) are closely working with the governments of the member countries in terms of increasing the levels of protection that the national policies provide, so that we can upgrade national policies to implement the ADB projects, instead of having preferred treatment for people affected by ADB projects. The same procedure are carried out for the southern highway projects in

Sri Lanka as well. Civil Society Organisations and certain NGOs may protest, but it is completely unacceptable to do so.”

Also commenting on the 43% profit loss of ADB from 2001 to 2004, Pio said “We have different types of lending. One is based on commercial rates offered to countries with higher income. The other is concessional lending with 1% - 1.5% interest for poor countries. Sri Lanka borrows from both. In terms of borrowing, ADB has tried to reduce the cost of borrowing. We issues bonds on the international market and then we lend to our member countries it is true that if we reduce the spread, ADB does reduce profits, but this increase the interest of the borrowers.”

According to Pio , the protest against holding the 39th ADB AGM in India next month is totally inaccurate.

The 39th Annual General Meeting (AGM) of ADB is scheduled to be held from May 3-6, in Hyderabad, India.
