

## **Meeting on South Asia Infrastructure (Water) Particularly for India**

31 March 2005

11:00 am – 12:00 nn

Room 4734 East

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### **List of Attendees:**

#### From ADB:

M. Teresa Kho, Senior Urban Development Specialist, SASS  
Suzanne M. Nazal, Civil Society Cooperation Officer, NGOC

#### From NGO Forum on ADB (Forum)

Tanabe, Yuki - JACSES  
Dossani, Sameer - Forum Secretariat  
Kibria, Zakir - BANGLAPRAXIS  
Singh, Prabin Man - WAFED, Nepal  
Bhatt, Sanjai - PAIRVI, India  
Withanage, Hemantha - CEJ Sri Lanka  
Siwakoti, Gopal Chintan - Forum

### **Meeting Summary:**

1. S. Dossani provided a brief introduction on the Forum and mentioned the network's strong focus on ADB operations in South Asia. He requested M. Kho to share information on projects that she is working on. M. Kho explained that her work focuses on urban development projects in India that includes development of water supply and sewerage.
2. Representatives of the Forum inquired on ADB's approach in implementing water infrastructure projects. Ms. Kho replied that all ADB projects are done based on ADB policies and guidelines. She explained that municipalities are usually tasked to maintain these. In India, budget may not allow sustainability of these projects. Hence, there is a need to apply user charges to ensure sustainability. We operate under that principle. The Rajasthan Urban Infrastructure Development is now delegated to the India Resident Mission. In the case of the Urban Water Supply and Environmental Improvement in Madhya Pradesh, this project undertook long preparations. All information on these projects is available on the website.
3. The Forum raised the issue on the plight of construction workers that are involved in infrastructure projects in India. Under Indian law, 1 percent of construction cost should go to the welfare board. The Forum argued that in Rajasthan and Madhya Pradesh, contractors either do not follow the law or are ignorant of the law. ADB made a commitment to ensure decent workplace and occupational safety. The Forum acknowledged that this is the first time such concern is raised to the ADB. In fact, a written statement has been sent to the ADB President. Ms. Kho indicated that she would convey this concern to her colleagues.
4. The Forum noted that ADB imposes water tariff on consumers who are 70 percent slum dwellers, and therefore could not afford. The NGO argued that this approach is not

consistent with ADB's emphasis on poverty reduction, saying that willingness to pay for water should be differentiated from consumers' capacity to pay. The Forum suggested the need to transform ADB's paradigm to give more importance on consumers' capacity to pay. Ms. Kho responded that ADB follows an affordability threshold of 5 percent of average household income. She noted that at the end, ADB would like to see the service delivered at a lowest cost in an efficient manner. ADB needs to assess the capacity of the institutions involved, and see where they would like to head for. Ms. Kho argued that there is not one solution for all situations. ADB need to consider what the institutions want and what the municipality and state prefers (as loans go to various states).

5. The Forum emphasized the need for ADB to give importance to universal access and affordability when it concerns water supply. Ms. Kho reiterated that ADB needs to consider affordability by default because support to the projects is given as loans.
6. The Forum inquired whether the Asian tsunami funds for India fall under infrastructure. Ms. Kho replied that support for tsunami fall under that emergency assistance fund.