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BANKWATCH

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IN THIS ISSUE

FORUM CLOSELY MONITORS
SPS EVALUATION OF ADB - P.14

NGO FORUM TO ADB:
"START BANKING FOR NOT ON DEVELOPMENT" - P.5

SAFEGUARDS ISSUES CONCERNING BUNG RIVER 4
HYDROPOWER PROJECT - P.16

NGO Forum
on ADB

FORUM COMPLETES STRATEGY PLAN FOR 2014 - 2020 - P. 20

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WHAT'S INSIDE?

NOTES FROM THE EXECUTIVE DIRECTOR Rayyan Hassan	4
NGO FORUM TO ADB: "START BANKING FOR NOT ON DEVELOPMENT" Press Release during the 48th Annual Governors Meeting	5
NGO FORUM CALLS ON AIIB TO HAVE ROBUST SAFEGUARD STANDARDS Letter of Introduction from NGO Forum on ADB on AIIB Safeguard Standards	6
FAST FACTS TAJIKISTAN	9
DEVELOPING A PEOPLE'S PERCEPTION-BASED DOCUMENTATION ON THE ADB- SUPPORT IWRM PROJECT IN BAITARANI RIVER BASIN, ODISHA NGO Forum on ADB	10
FORUM CLOSELY MONITORS SPS EVALUATION OF ADB	14
SAFEGUARDS ISSUES CONCERNING BUNG RIVER 4 HYDROPOWER PROJECT	16
FAST FACTS ARMENIAN	19
FORUM COMPLETES STRATEGY PLAN FOR 2014 - 2020	20



NOTES FROM THE EXECUTIVE DIRECTOR

Dear Readers,

Please find the 2015 Bankwatch herewith. The articles are submissions and think pieces collected from the membership during the advocacy period of 2014 - 2015. Emphasis has been given on statements made by the Forum on the 48th ADB AGM to President Takehiko Nakao. Submissions to AIIB on Safeguards. On project monitoring the case of ADB funded IWRM project in Baitarani River Basin, Odisha, India and so as Bung River 4 Hydropower Project in Vietnam have been elaborated from critical civil society perspective.

This Bankwatch edition ends with a report on Forum Completes Strategic Planning for 2014 - 2020.

We hope that you will find the pieces informative and useful in your ongoing campaigns for economic and environmental justice.



Rayyan Hassan
Executive Director
NGO Forum on ADB



NGO FORUM TO ADB: “START BANKING FOR NOT ON DEVELOPMENT”

In a civil society meeting with ADB President Takehiko Nakao at the 48th Annual Governors Meeting, the 250-member strong NGO Forum on ADB urged the Bank to implement concrete policy tools and practices on safeguards and human rights in order to eradicate poverty and inequality in Asia. Forum added that ADB’s open engagement with civil society organizations is indispensable in making the Bank more accountable and effective.

Forum executive director Rayyan Hassan noted that the 2009

Safeguard Policy Statement (SPS) clearly states that the higher standards of Safeguards should apply in any ADB-financed project. Hassan asked the ADB President to clarify whether the SPS would cover any joint project with AIIB in the future.

In response, President Nakao made an assurance that for co-financing projects; the ADB will apply its own standards.

The ADB President pointed out that the AIIB interim secretary Jin Liqun has already expressed that safeguard policies are important for all projects and that AIIB would adhere to international standards of safeguard policies.

However, while President Nakao said the AIIB will make its own efforts on safeguards, he also emphasized the question of how they will be implemented as very important.

“It is crucial for the ADB to implement its safeguard policies on all projects including co-financing Forum also expressed serious concern on the shrinking civic space and restriction on civil society in countries where ADB operates such as Lao PDR, Uzbekistan and Azerbaijan. The group joined

agreements with commercial, bilateral and multilateral agencies such as the newly-created AIIB,” Hassan said. “The stringent application of environmental and social safeguards with strong human rights dimension is one good way for the ADB to prove that it is indeed a bank for development.”

Moreover, Hassan said the ADB-AIIB co-financing initiative would further underline the glaring gaps in ADB’s delivery mechanism of its safeguards as revealed by the operational review conducted by its own Independent Evaluation Department (IED) in 2014.

He cited the following:

- 1.Lack of any disclosure and reporting gaps in ADB’s financial intermediary (FI) private sector projects
- 2.Glut increase in category B projects to avoid more stringent environmental and social assessments
- 3.Poor quality at entry of information in regards to environment, resettlement and indigenous peoples issues pre-project approval
- 4.Lack of clear response on project monitoring by ADB on Safeguards with almost non-existent on site field visit by ADB safeguard staff.

In reaction, President Nakao acknowledged that IED’s safeguards evaluation did raise many issues but at the same time, reiterated that safeguards are a hallmark of ADB and borrowing nations should consider them a contribution instead of a burden.

Hassan further added, “unfortunately safeguard policies have been perceived by most development Human Rights Watch in appealing to the actors, especially public and private borrowers as ‘obstacles’ to the path of project implementation.



"IT IS CRUCIAL FOR THE ADB TO IMPLEMENT ITS SAFEGUARD POLICIES ON ALL PROJECTS INCLUDING CO-FINANCING AGREEMENTS WITH COMMERCIAL, BILATERAL AND MULTILATERAL AGENCIES SUCH AS THE NEWLY-CREATED AIIB"



Rayyan Hassan, Forum Executive Director raises the imperative to implement high safeguards and human rights standards in its operations and investments. with President Takehiko Nakao

ADB should ensure due diligence in design, implementation and supervision of its safeguard measures for all projects per the recommendation of the IED; if it intends to be true to its original mandate of poverty alleviation in Asia.”

Bank to urge the Azeri government to end its crackdown on activists and independent groups.

President Nakao replied that ADB will continue to lend to the said countries because they are making

efforts to adhere to standards, such as labor standards. He added that these countries are still developing and trying to reduce poverty. Citing the economy of Azerbaijan over that last 10 years, he said social indicators have become much better, including literacy and maternal mortality.

On civil society space, President Nakao said even developed countries have to make progress on working with CSOs. ADB is trying to address those issues according to him.

NGO FORUM CALLS ON AIIB TO HAVE ROBUST SAFEGUARD STANDARDS

Forum asked AIIB, which is currently developing its core philosophy, operating platform and value system, to comply with international best practices and national, local or customary laws. The NGO coalition added that AIIB must ensure that its operations respect local traditions, culture and knowledge systems, especially of Indigenous Peoples (IPs) and cultural minorities. It also said the bank’s projects and programs should not harm local environment, ecosystem and biodiversity, as well as thoroughly consider climate change impacts.

“In line with AIIB’s modus operandi of lean, clean and green, we appeal to the bank and the leaders of China to carry the concerns and needs of Asia’s most vulnerable groups and communities through the creation of superior safeguard policies,” according to Rayyan Hassan, Forum executive director.

At the same time, Hassan requested the inclusion and participation of civil society in AIIB’s safeguard policy formulation saying “our civil society network can provide the bank with information regarding potential risks on the ground across the region.”

Forum has asked AIIB to ensure public transparency and public participation in decision-making process, in particular follow the principle of “free prior informed consent or objection.” Likewise, it also said the AIIB including its private sector operations should comply with the bank’s own safeguards, international conventions and national laws.

The civil society network urged the bank to ensure the right to equality and non-discrimination to the following: IPs, ethnic and cultural minorities, women, children, persons with disabilities, and sexual orientation and gender identification expression (SOGIE).

AIIB, as of April, has identified 57 prospective founding members, namely Australia, Austria, Azerbaijan, Bangladesh, Brazil, Brunei, Cambodia, China, Denmark, Egypt, Finland, France, Georgia, Germany, Iceland, India, Indonesia, Iran, Israel, Italy, Jordan, Kazakhstan, Kuwait, Kyrgyz Republic, Laos, Luxembourg, Malaysia, Maldives, Malta, The Asian-led coalition of NGOs has, for decades, spearheaded civil society campaign towards the creation and strengthening of environmental and social protection at the Asian Development Bank (ADB) and recently, has directly engaged

“Given that AIIB is founded on lessons learned from existing MDBs and private sector, the bank is on the right path towards institutionalizing socio-environmental shields that would minimize, if not outrightly contain, any collateral damage or rights-based violation caused by poorly-implemented development projects,” Hassan stated.

Mongolia, Myanmar, Nepal, Netherlands, New Zealand, Norway, Oman, Pakistan, Philippines, Poland, Portugal, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Tajikistan, Thailand, Turkey, United Arab Emirates, United Kingdom, Uzbekistan and Vietnam.

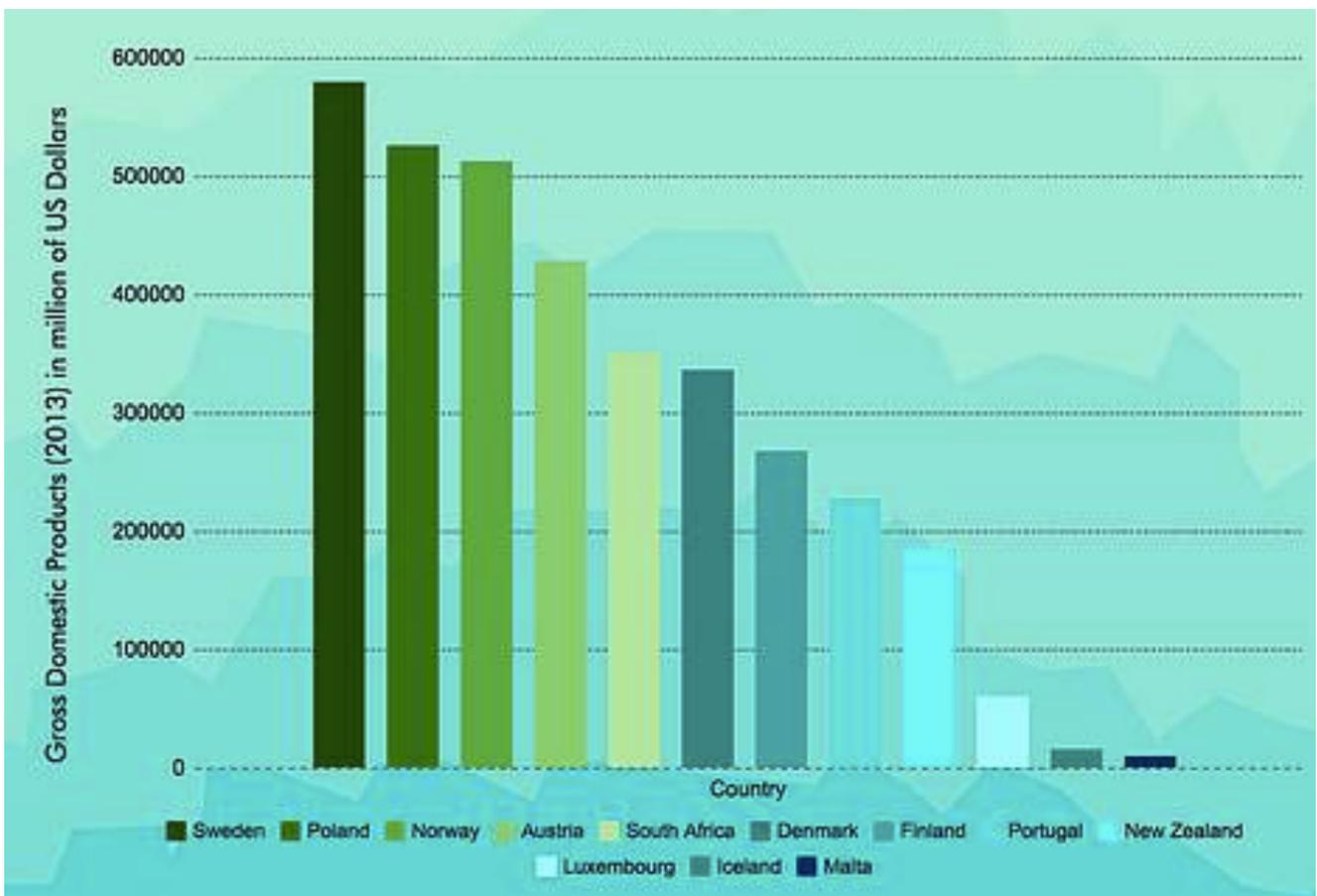
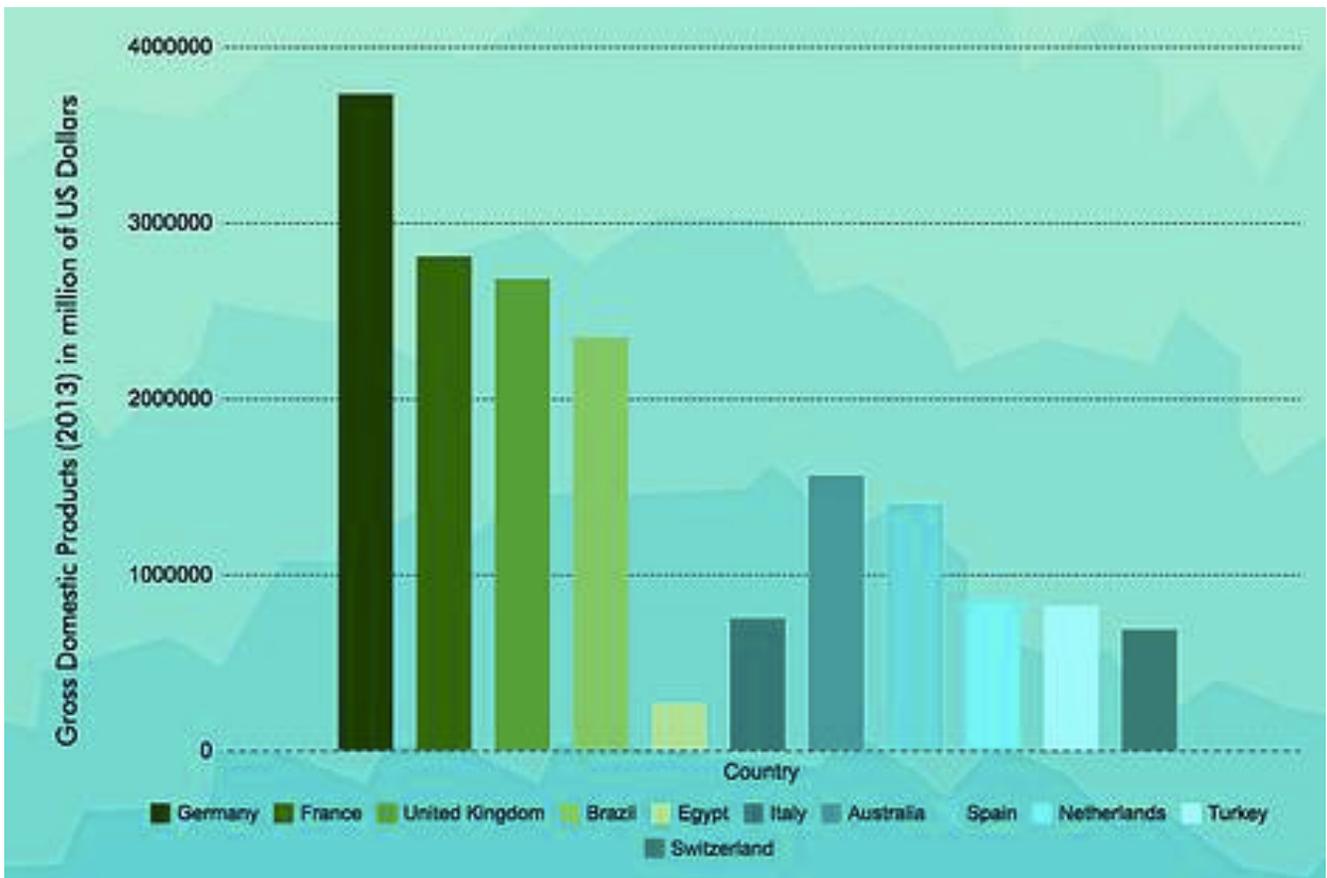
With 57 nations already on board the Asian Infrastructure Investment Bank (AIIB) as prospective founders, a 250-member strong civil society network made an appeal to the newly-formed bank to adopt robust safeguards in its principles, policies and operations.

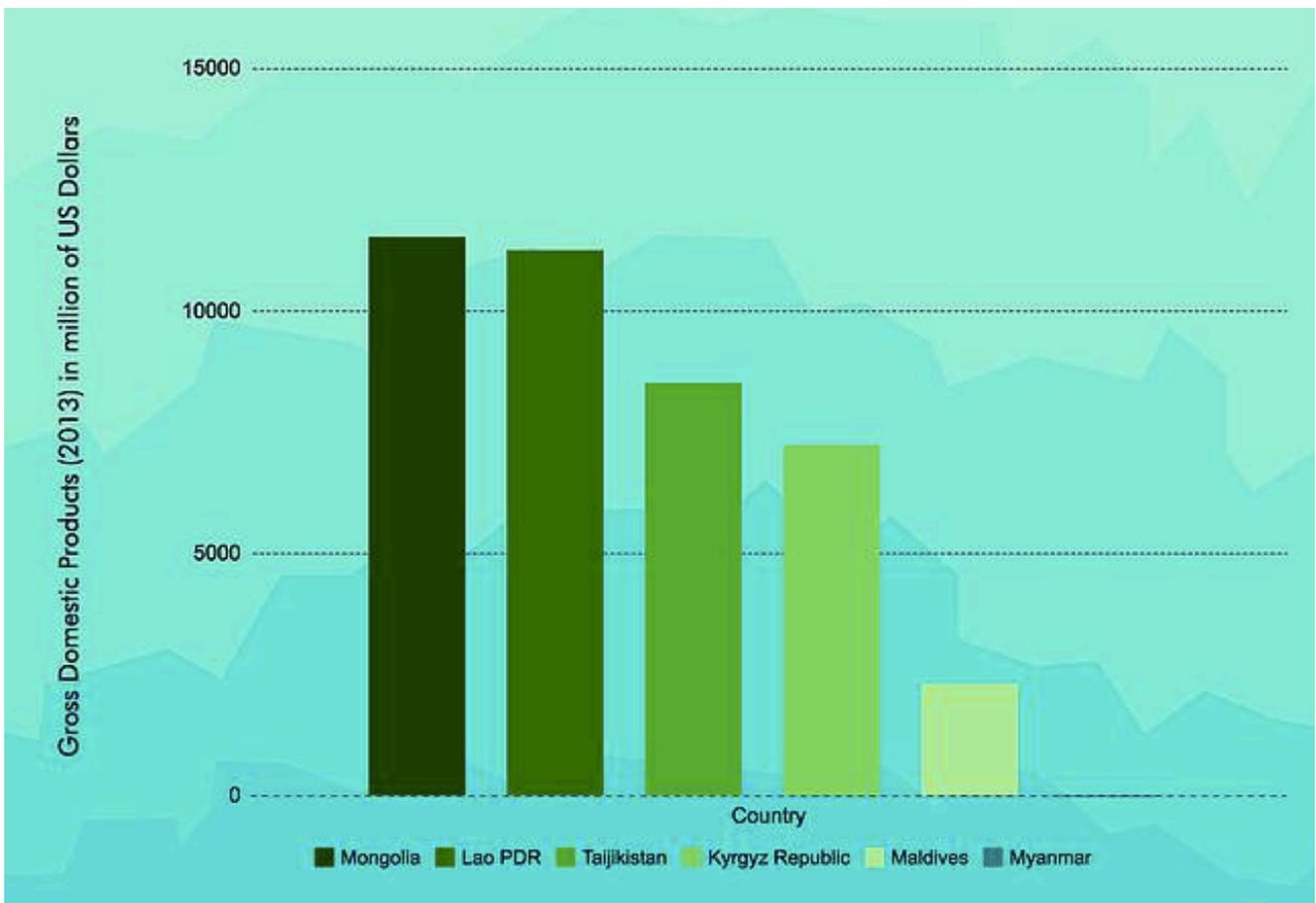
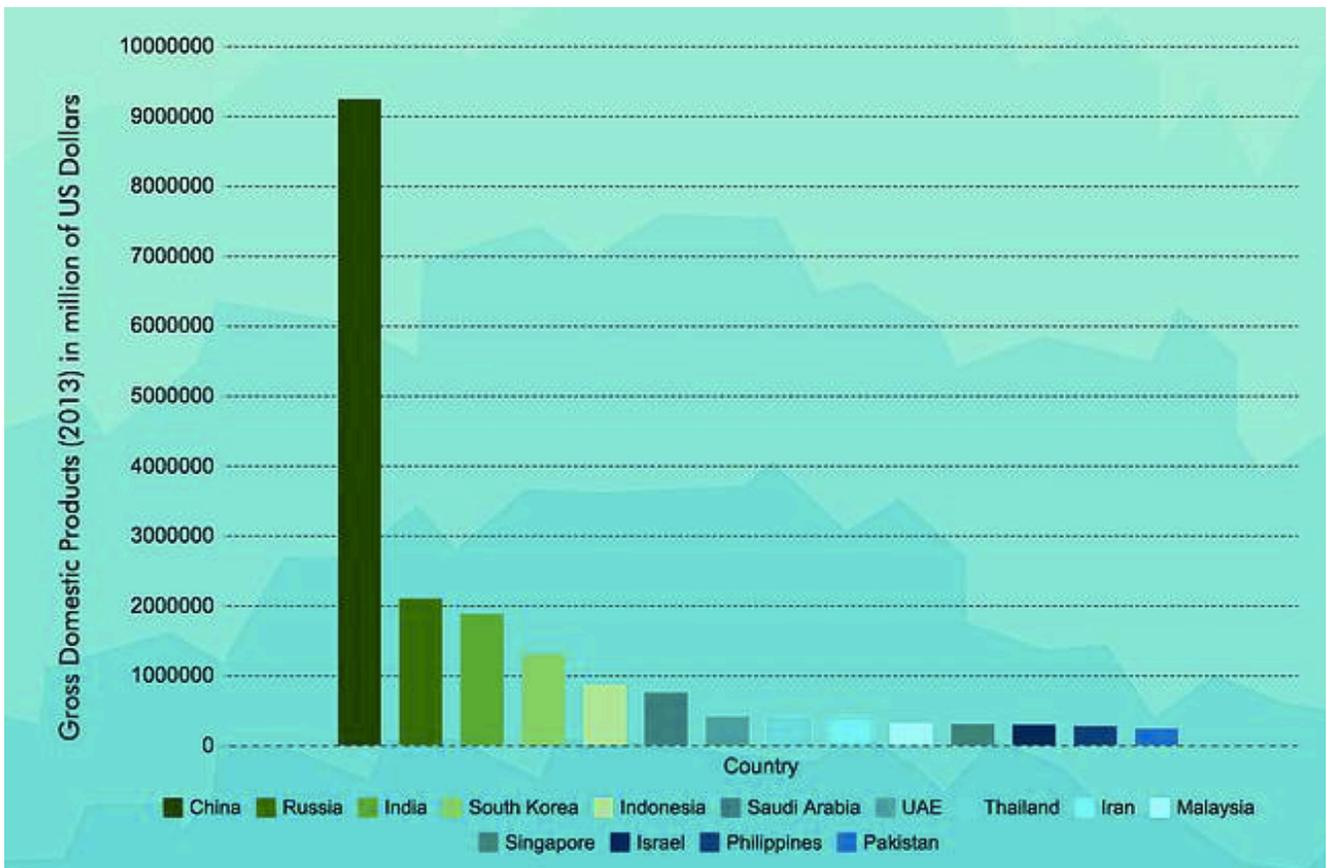
NGO Forum on ADB, in a formal letter to the AIIB, underscored the need for the bank to formulate and implement the highest standard of safeguards in view of the limits to the planet’s growth and the impacts of huge infrastructure projects on vulnerable Asian communities. In doing so, Forum said the AIIB can become a standard-bearer of safeguard policies across all multilateral development banks (MDBs).

Forum, which is based in Manila, likewise recognized the role of the Chinese government in AIIB’s establishment and its earlier pronouncements to set up high-standard, feasible safeguard policies.

“GIVEN THAT AIIB IS FOUNDED ON LESSONS LEARNED FROM EXISTING MDBS AND PRIVATE SECTOR, THE BANK IS ON THE RIGHT PATH TOWARDS INSTITUTIONALIZING SOCIO-ENVIRONMENTAL SHIELDS THAT WOULD MINIMIZE, IF NOT OUTRIGHTLY CONTAIN, ANY COLLATERAL DAMAGE OR RIGHTS-BASED VIOLATION CAUSED BY POORLY-IMPLEMENTED DEVELOPMENT PROJECTS”

- Rayyan Hassan
Executive Director, NGO Forum on ADB





FAST FACTS

ADB FUNDED PROJECTS IN TAJIKISTAN



Tajikistan had its independence on September 9, 1991



But it already has 76 ADB funded projects



That's like 3 project(loans, grants or technical assistance) a year, since its independence

75 of the loans are considered SOVEREIGN which means that the loans are extended to the government or guaranteed by the government.

HOW MUCH LOAN DOES A COUNTRY NEED WHEN THEIR POPULATIONS IS JUST 8.6 M WITH A LAND AREA OF 143,100 km²?



Holding ADB accountable since 1992

DEVELOPING A PEOPLE'S PERCEPTION-BASED DOCUMENTATION ON THE ADB-SUPPORTED IWRM PROJECT IN BAITARANI RIVER BASIN, ODISHA

Ranjan Kishor Panda, Convenor of Water Initiatives Odisha (WIO), the leading network of water in Odisha and one of the prominent voices of water in India, took up the initiative to monitor the IWRM Project supported by ADB in Baitarani River Basin in Odisha, India. The NGO Forum on ADB-supported a part of this initiative through a small financial support in organizing public consultations and preparing a report on the state of affairs. The issues that the report highlighted and the activities that were undertaken by WIO have made the good impact in the state and besides the government going slow on the formation of the River Basin Organisation, there have been a lot of activities among civil society groups raising voices of concern about this project. Time has come to consolidate those voices and documents them in an audio-visual format to be used as an advocacy tool not only at the state level but also at the national and Asia level targeting ADB's intervention in IWRM. This proposal will basically be a follow up to the previous work but will build a new scope of advocacy through an audio-visual advocacy.

TARGET BENEFICIARIES/COMMUNITIES:

The project was basically to cover the Keonjhar and Mayurbhanj districts in the Baitarani River basin. These are the two major districts.

KEY STAKEHOLDERS

The project was supposed to cover civil society, farmers, political leaders, local social movements and community-based groups. The government officials were supposed to be targeted for advocacy and can only be covered in the video documentary if they agree to it.

ACTIVITIES AND ACCOMPLISHMENTS

The project, in this phase, was supposed to get an update on the existing data we have already provided in the earlier report. This was basically a project whose output was supposed

to be a video document for advocacy purposes.

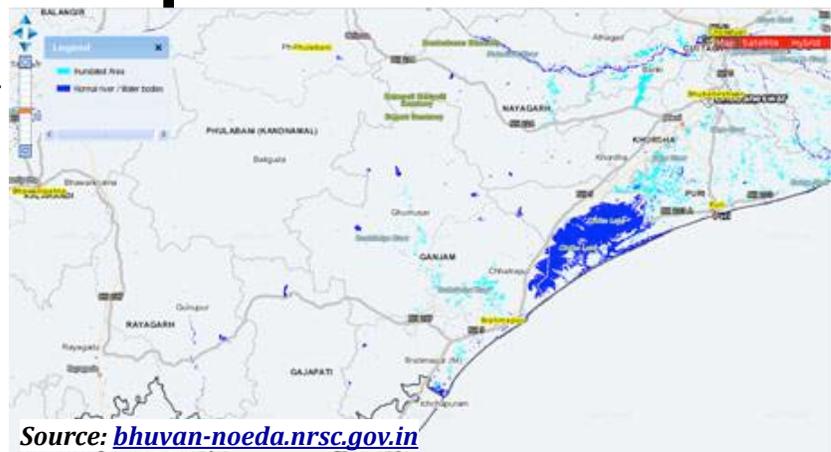
We made visits to both Mayurbhanj and Keonjhar districts. Our visits to

Mayurbhanj happened just after the Post-Phailin cyclone and we found out there was a lack of preparation from the district administration with regard to Baitarani floods. This exposed the fact that the government had no proper database on the flood situations and cyclones such as this. We met locals, discussed them with this and got their feedback on the issues.

As we reached Mayurbhanj and Keonjhar districts post Phailin, more than one and a half million people were still battling the flood that was triggered by incessant rains that followed cyclone Phailin. The following map shows the inundated areas:

In fact, we utilized the time mostly in finding out problems of people and linking them to local relief and rehabilitation efforts. What we confirmed is that the government and its IWRM have grossly failed in predicting floods yet again and the situation in Baitarani remains the same. Our concerns about IWRM that it does not give importance to base line data, proper disaster predictions, etc. remain the same.

Then, we followed the World Bank and ADB promises to provide the loan to Odisha



government for Phailin reconstruction activities. This update was sent to Forum listserve. However, you can find the link to one of the news out of many places our concerns were published. The link: <http://www.dailypioneer.com/state-editions/bhubaneswar/why-wb-adb-loans-for-reconstruction-work.html>

In fact, we have urged upon the government to let the public know what exactly will be done with ADB support and there is no response as yet. We are therefore not sure whether ADB money will be used in Baitarani or not, and it will be part of the IWRM project or not. Our concern thus remains that there is too much ambiguity in ADB-supported projects and we can hardly find any transparency and accountability to the basin people.

UPDATE ON MINING SCAM AND CONFLICTS

In our last report we had highlighted about the mining scam in Baitarani basin and how over exploitation of mining is killing the river. Then, we had also narrated about illegal withdrawal of water from the industries and there were resultant conflicts.

During this phase, we met the Kendujhar Citizen's Forum, local journalists, NGO and CSO members, farmers, local people's organizations and we have the following update on these aspects.

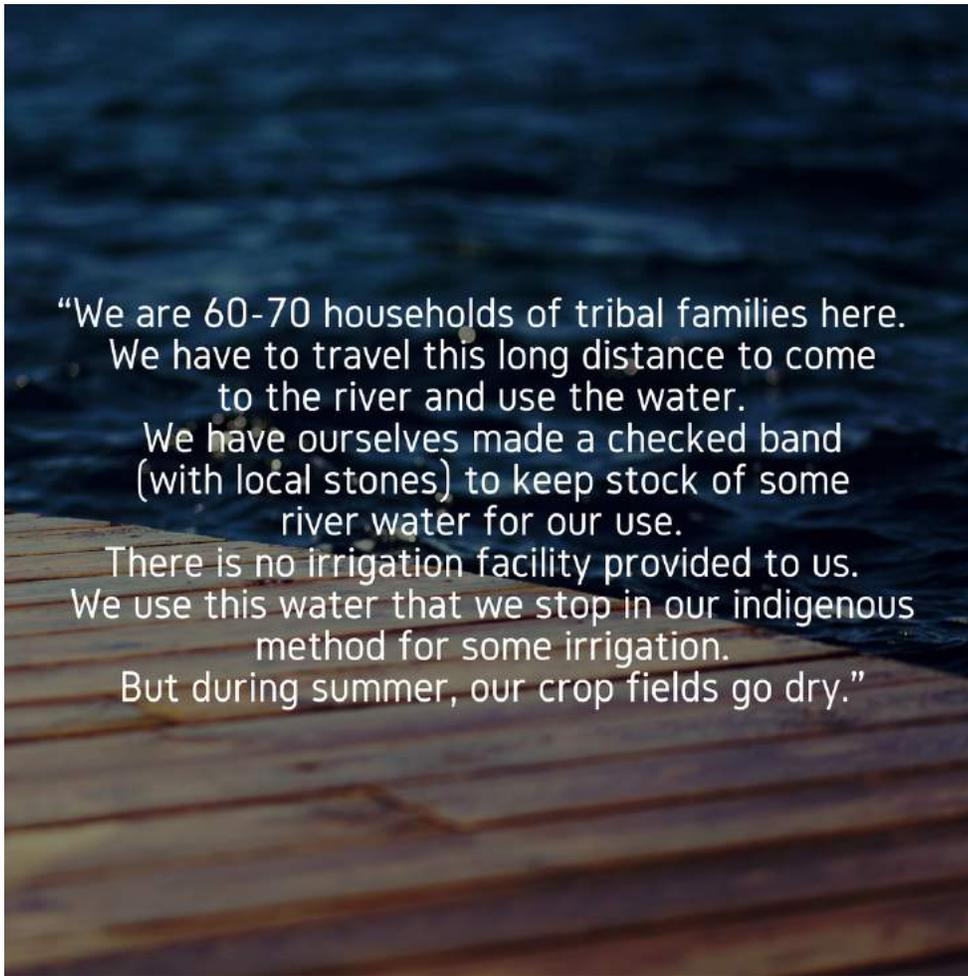
The Justice Shah Commission that was inquiring into illegal mining in Baitarani river basin has recommended revisiting the environment approvals granted to all 55 mines around the Baitarani and its tributaries. It has asked to shut the mines till then. The commission has also said that a final decision should be taken on whether to allow large-scale mining leases to operate in the catchment area of the river. It has mentioned that about 40 firms and mining leaseholders operate 55 mining leases that directly impact the Baitarani. If this recommendation is effected, then the Tata Steel and Rungta Mines Group, with five mines each, would be worst affected because of their location in the area for which the Commission has made the recommendations.

Of the eight mines from which Tata Steel sources its iron ore from Odisha, five - Khandhbandh, Joda East, Joda West, Manmora and Malda - are located in a place which directly affects Baitarani. This company procures 80 per cent of its total iron ore from Odisha.

Future projects of Tata Steel such as the upcoming six-million-tonne mill in Kalinganagar also depend on some of these mines. Other big mining companies whose mines may also get affected are SAIL (Bolani iron ore mine), Aditya Birla group (Jilling Longalota and Kasia iron ore mines), Jindal Steel & Power (Tantra Raikela Bandhal) and Adhunik Metalik (Kulum mines). These mines



This confirms our apprehensions and reports made in the first research that almost all the mining companies are involved in illegal mining that violate environmental laws. The IWRM's RBO is therefore just an eye wash and is not going to have any impact on proper management of water resources of the Baitarani.



“We are 60-70 households of tribal families here. We have to travel this long distance to come to the river and use the water. We have ourselves made a checked band (with local stones) to keep stock of some river water for our use. There is no irrigation facility provided to us. We use this water that we stop in our indigenous method for some irrigation. But during summer, our crop fields go dry.”

may also face closure. In the list are also the Rungta Mines Group’s mines — Jajang, Kolmong, Oraghat, Katasai and Kalimati; Serajuddin & Co’s Balda block; Sarada Mines’ Thakurani-B block; R.P. Sao’s Guali; state government-owned Odisha Mining Corporation’s three mines and one each of BPMEL and OMDC.

This confirms our apprehensions and reports made in the first research that almost all the mining companies are involved in illegal mining that violate environmental laws. The IWRM’s RBO is therefore just an eye wash and is not going to have any impact on proper management of water resources of the Baitarani.

The Shah commission’s strong remarks further confirm our apprehensions and observations made out earlier. The Commission has said that the “unscientific, non-sustainable and explosive mining” of iron and manganese ores has a lasting, very high impact on the “very existence and life of the Baitarani” and its tributaries, rivulets and nallahs. The commission further said, “On perusal of approved environmental clearances given by

the environment ministry, it is observed that the information inputs of rivulets, water courses and rivers in and around mines are either incomplete or suppressed or false.”

It went on saying, “River water is also polluted and it gets colour of the minerals due to discharge of effluents. It is apparent that environmental laws are not implemented effectively and polluting mining companies are not punished at all.” It further remarked, “During rainy season the river water gets highly polluted, muddy and turbid with unchecked flow of salt generated from waste dump” out of 176 leases located.

It then continued, “The high content of iron, manganese and other heavy metal generated from dumps of mines flowing through rivers are highly detrimental to aquatic fauna in the estuaries and the Bay of Bengal”.

The Kendujhar Citizen’s Forum which has been alleging that water to industries will jeopardize drinking water supply to the city of Keonjhar reiterated their issues. The Kanhpur dam water has also been given out to industries more than its capacity. These issues still remain valid and there are local discontents.

There is a group called Baitarani Bachao Abhijan (BBA), led by a political leader, which has filed cases in the National Green Tribunal challenging intake well in the River Bed by companies like Essar Steels Ltd. The case has developed to some extent and the tribunal has issued notices to the government and companies smelling illegalities and flouting of environmental laws. However, we could not get an exact update of the issue while updating our research because we could not meet the concerned persons.

THE VIDEO SHOOT AND ISSUES DEALT

After having updated our understanding on the issues we had reported in our extensive research on Baitarani on the first phase, we decided to go for the video shoot in Kedujuhar district to cover the above issues. The shoot covered people and issues covering both Baitarani and its tributaries.

While the video footages have already been sent to the Forum, the following transcriptions talk about issues that have been covered and that are important for the River Basin at the moment, in context of IWRM.

VIDEO INTERVIEWS: BAITARANI IS VIRTUALLY TAKEN OVER BY MINES

Sabara Kanta of Bayakumutia Village:

"Drinking water is a problem here. We have to go to the river and spend hours. We are also having problems receiving irrigation water. Our farms don't get any irrigation. This man tells the reality of Baitarani. While the local people, mostly of whom are indigenous communities that live on the banks of a tributary of Baitarani, don't get their basic rights to drinking water and irrigation, the Rivers and its tributaries are being given away for mining and industries."

Ianaka Sarangi of Bayakumutia Village:

She narrates the regular tedious job that ladies have to do as she says, *"We go to river travelling one and half kilometres daily, at least twice. We use the river for all purposes including drinking water. The one tube well the government had given is yielding too little water and also dirt and contaminated with some yellow material. So, we prefer the river. We spend two hours daily to fetch water from the river. We have to carry children, containers and clothes for washing together. We face lot of hardships"*.

This tells us how tapping Baitarani water for benefit of local people could be actually achieved and the government could provide them with drinking water by bringing it from river to home. However, the government is busy providing water to industries. This also confirms our apprehensions that there is no base document available on the current use, diversities and contradictions in the river basin based on which an IWRM plan could have emerged. It has just been done without any consultation with local people and just to impose a loan upon the government.

Ajayakrushna Behera, farmer of Bayakumutia:

"We are 60-70 households of tribal families here. We have to travel this long distance to come to river and use the water. We have ourselves made a check bund (with local stones) to keep stock of some river water for our use. There is no irrigation facility provided to us. We use this water that we stop in our indigenous method for some irrigation. But during summer, our crop fields go dry."

This is another case which reveals how government has failed to tap Baitarani water to provide livelihood support through irrigation but it is busy providing water to industries.

Kiran C. Sahu of Kendujhar Citizen's Forum:

He has raised the same issues that he had raised during our discussion while preparing the first research report. The issues are about pollution, deforestation, conflicts of interest between industries-mines and irrigation-drinking water, etc.

His detailed views at the following link: <http://www.frontierweekly.com/archive/vol-number/vol/vol-44-2011-12/vol-44-5/river-baitarani-44-5.pdf>

Sanatan Barik of Jadanga Village:

"The iron ore mines are up above two kilometres from here. All the dirty discharges of the mines to the river pollute it and we are forced to use this. About 2000 people of our village bath, wash clothes and even drink water from the river here. Our problem gets acute during rainy season as the miners violate all rules to discharge almost all the pollutant to the river. From August to February we face the worse. Government doesn't listen. We go to public hearings to raise our concerns but neither the government nor the companies pay any heed to our complaints."

This is the real picture of Baitarani River at the moment and it shows how IWRM project has ignored the sad reality. Even the Shah Commission has confirmed these facts.

Naresh, a local activist and leader of a People's Organisation, has raised very vital issues and shows a case how irrigation has been deliberately neglected and farmers exploited but industries have been favoured in Baitarani.

Gita Oram of Jarang Village:

"We live on collecting and selling woods from the forests. We have no farm land. A family of four, my husband also collects wood and sells. We take water from digging a small chuan (a pit hole in stream bed) here.

This stream comes from inside the mines. The mines have encroached the stream, which goes to merge with Baitarani. We face health problems due to this polluted water. We don't get medical facilities either from the company or from the government. The hospital is very far."

This is another reality of Baitarani basin. It has virtually been taken over by mines.

THE PROGRESS OF RBO:

Despite several tries we could not get an exact status of the River Basin Organisation. The government website still has the 2010 notification calling for formation of a RBO and nothing called any progress.

CONCLUSION:

The IWRM in Baitarani remains as arbitrary a project as before and there is no effort by government to involve local people or disclose information. There remains a lot to be done at local level to monitor this project with more rigorous data collection, research, awareness and advocacy efforts.

FORUM CLOSELY MONITORS SPS EVALUATION OF ADB

Forum advocates against any dilution of the SPS and urges the Bank to resist caving in to pressure from its public and private clients to water down the policy.

After the SPS became effective in 2010, more borrowers have complained about the long process and strict safeguards requirements for a project or program loan. Hence, there is both increased pressure from these clients for less stringent safeguards requirements. The ADB is

also threatened by the possibility of these clients getting loans from other banks with no safeguard conditionalities at all. Furthermore, ADB financing in the form of project loan and technical assistance grants are increasing in many countries. A weaker SPS increases the vulnerability of communities and marginalized groups to social, economic and environmental problems, especially in the face of escalating climate-induced disasters.

It should be emphasized that the IED web page has not updated its timeline despite the delays in the process.



After the SPS became effective in 2010, more borrowers have complained about the long process and strict safeguards requirements for a project or program loan.

Process-wise, an issue that has repeatedly surfaced pertains to how transparent and inclusive of external stakeholders, particularly civil society and affected communities, this internal evaluation is. Compared to the last Safeguards review process, which went on for more than five years, this process has less transparency and inclusivity.

Likewise, Forum recognizes that IED's role as of the SPS evaluation/review is in compliance with SPS Paragraph 82. This was a last-minute addition of the ADB to the SPS document prior to its final approval. This precluded Forum members from intervening on or questioning the appointment of IED.

Under the policy, IED is mandated to conduct the 3-year operational review and the 5-year full-policy review upon the effective date of the SPS, which was January 2010. As indicated in the IED approach paper⁷, however, the evaluation will be delivered 4 years and not 5 years after the 2009 approval of the SPS. This is because ADF donors have requested the finalization of the evaluation before the ADF XI mid-term review in late 2014.

It should be emphasized that the IED webpage has not updated its timeline despite the delays in the process. Similarly, there is no significant

information about the SPS operational review on the webpage of the Safeguards Policy. While it is an internal process, Forum believes that civil society and other stakeholders deserve transparent and up-to-date information on this operational review. In this regard, Forum has lobbied and sent official correspondence to ADB Board members, top Management officials, and IED to involve civil society in the internal SPS evaluation. ADB's reaction is limited to getting case studies on its CSS and FI implementation from Forum or other CSOs. Similarly, Forum has urged the Bank to undertake a full-scale policy review and meaningful stakeholders' consultation to further strengthen the policy language and provisions of the current SPS.

¹ <http://www.adb.org/sites/default/files/pub/2009/Safeguard-Policy-Statement-June2009.pdf>

² <http://www.adb.org/sites/default/files/EAP-TE-Safeguards.pdf>

³ ADB's largest and oldest fund, the ADF offers loans at very low interest rates as well as grants to ADB's poorest member countries.

⁴ The CSS evaluation covers five client countries: Pakistan, Indonesia, India, Mongolia and Vietnam. For the FI evaluation, six countries are involved: People's Republic of China, India, the Philippines, Kazakhstan, Sri Lanka, and Pakistan

⁵ http://www.forum-adb.org/docs/Comments-SafeguardsRPaper_July14.pdf

⁶ <http://www.adb.org/sites/default/files/EAP-TE-Safeguards.pdf>

SAFEGUARDS ISSUES CONCERNING BUNG RIVER 4 HYDROPOWER PROJECT

Forum finds itself once again at the forefront of civil society engagement on Safeguards with the ADB, four years after a successful campaign to strengthen the said policy. An omnibus policy encompassing environment, involuntary resettlement, and Indigenous People policies, the 2009 Safeguard Policy Statement² protects the people and environment from any harm caused by ADB operations. It officially took effect in January 2010.

SPS INTERNAL EVALUATION³

In the first half of 2013, the Bank's Independent Evaluation Department or IED commenced an internal evaluation process of the SPS. ADB expects to end it by September 2014, in time for the mid-term review of the Asian Development Fund XI⁴ in the last quarter of the year.

The first phase is an operational assessment of its Country Safeguards System and Financial Intermediary investment in selected client countries.⁵ Based on ADB's original timeline, this process should have been completed in December 2013, with the release of an Approach Paper. Bank insiders said the Approach Paper will most likely be released by April 2014. This means that the process has been delayed by four months.

The second phase of this internal evaluation will be a full-policy review of the SPS. Both are being undertaken by IED under the supervision of the Development Effectiveness Committee (DEC).

Historically, Forum Network members and partners have spearheaded efforts of civil society actors in the creation of these safeguard policies. They have led the fight to enhance policy provisions as well as preserve these provisions in both letter and spirit. In the last Safeguards Policy Update that lasted from 2005 to 2009, Forum has successfully pushed for the following: (i) the elaboration of requirements for meaningful

consultation; (ii) the provision for the improvement of lives and livelihoods for involuntary-displaced people, (iii) a more detailed description for processes and requirements in regard to CSS; (iv) safeguard requirements for other financing modalities including FI; and (v) the improvement of gender language. However, some of the Network's concerns particularly those related to the language of the involuntary resettlement policy has remained a point of contention.⁶

CONCERNS AND ISSUES

Forum is closely following the SPS evaluation process (and subsequent reviews) to ensure that the SPS remains a reliable tool of protection for peoples and ecosystems unwittingly displaced, disrupted or destroyed by the Bank's development agenda.

Forum advocates against any dilution of the SPS and urges the Bank to resist caving in to pressure from its public and private clients to water down the policy.

After the SPS became effective in 2010, more borrowers have complained about the long process and strict safeguards requirements for a project or program loan. Hence, there is both increased pressure from these clients for less stringent safeguards requirements. The ADB is also threatened by the possibility of these clients getting loans from other banks with no safeguard conditionalities at all. Furthermore, ADB financing in the form of project loan and technical assistance grants are increasing in many countries. A weaker SPS increases the vulnerability of communities and marginalized groups to social, economic and environmental problems, especially in the face of escalating climate-induced disasters.

Process-wise, an issue that has repeatedly surfaced pertains to how transparent and inclusive



Bung River 4 Hydropower Project

of external stakeholders, particularly civil society and affected communities, this internal evaluation is. Compared to the last Safeguards review process, which went on for more than five years, this process has less transparency and inclusivity.

Likewise, Forum recognizes that IED's role as of the SPS evaluation/review is in compliance with SPS Paragraph 82. This was a last-minute addition of the ADB to the SPS document prior to its final approval. This precluded Forum members from intervening on or questioning the appointment of IED.

Under the policy, IED is mandated to conduct the 3-year operational review and the 5-year full-policy review upon the effective date of the SPS, which was January 2010. As indicated in the IED approach paper⁷, however, the evaluation will be delivered 4 years and not 5 years after the 2009 approval of the SPS. This is because ADF donors have requested the finalization of the evaluation before the ADF XI mid-term review in late 2014.

It should be emphasized that the IED webpage has not updated its timeline despite the delays in the process. Similarly, there is no significant information about the SPS operational review on the webpage of the Safeguards Policy. While it is an internal process, Forum believes that civil society and other stakeholders deserve transparent and up-to-date information on this operational review. In this regard, Forum has lobbied and sent official correspondence to ADB Board members, top Management officials, and IED to involve civil society in the internal SPS evaluation. ADB's reaction is limited to getting case studies on its CSS and FI implementation from Forum or other CSOs. Similarly, Forum has urged the Bank to undertake a full-scale policy review and meaningful stakeholders' consultation to further strengthen the policy language and provisions of the current SPS.

River Network member organizations, which surveyed the Bung River 4 Hydropower Project sites in Pa-rum B, Pa-dhy and va Thon Hai villages

in Nam Giang district, Quang Nam Province. The field visit took place on May 3-5.

The monitoring group completed an independent analysis of the implementation of Safeguards Policies (environment, involuntary resettlement and Indigenous People) at the project level. It revealed several shortcomings in the policy implementation.

RESETTLEMENT AND COMPENSATION ISSUES

The compensation process does not factor in inflation rates. It ignores valuable and important property assets like trees, fences, and other items. Controversial issues such as moving graves and wooden houses have not been addressed. In some cases, action has been taken in an ad hoc manner. In many cases, land rights certificates were not provided. New settlements do not have roads and other infrastructure, which was available before.

The fundamental livelihood of minority groups has shifted from the multi-plot “slash and burn” agriculture to single-plot sedentary farming system. It has posed negative impacts on the traditional lifestyle of minority groups. These affected persons may not be able to adjust themselves with these new conditions.

Since certain communities were resettled to a new area, there is now a strong competition for resources among various groups such as in the case of Pa-rum B village. There are many people who do not yet have access to clean water due to resettlement to new area.

IMPACTS ON THE CO TU ETHNIC MINORITY

There is a change of role and status of Co Tu women in agriculture because the available farming lands have been reduced in size (approx five to ten times). This will affect their usual livelihood and traditional farming system. The PMB has a complaint settlement process involving the Commune People’s Committee (CPC) - Management and Implementation Council of Resettlement – District People’s Committee (DPC) - Provincial People’s Committee (PPC) - District People’s Court - Provincial People’s Court. This process may be difficult to access for ethnic minority people. It is very expensive and lengthy process as well. This process does not meet the

Safeguards requirements for “accessible to the IP at no cost, and no retribution” grievance redress mechanism. In fact, more than half of the Co Tu people are poor. Many are illiterate and isolated from district and province capitals.

DISCUSSIONS WITH GOVERNMENT AND ADB

Representatives from the Nam Giang DPC, the Bung River Board of Management, Department of Industry and Commerce in Quang Nam province also shared their opinions. However, the Board of Management acknowledged the limitations of the resettlement process and expressed the hope that this would be improved. The Board of Management will consult with the PPC about the availability of building timber for the villagers of Parum B. They will also consider whether it is possible to provide recreation facilities for people living in the administration area, where the land is not suitable for a sports facility. The Board also agreed to moving graves in the wetlands in the coming days.

The ADB representative, who is an energy expert, welcomed the VRN initiative. The representative had the opportunity to participate in an open discussion over the project regarding challenges and concerns of affected people and other interested parties.

The comprehensive discussion tackled/recognized the restrictions, risks and challenges of the project. Participants hope that it will lead to some positive outcomes for the communities directly affected by Bung River 4. They also hope that in the future, there will be a joint planning process for hydropower projects, which will be prepared by project executors together with affected people.

Any development project needs to exercise good practices that will strengthen the protection of local communities and environment. Project executors need to ensure that all stakeholders participate in a dialogue around development issues in Vietnam. In order to have meaningful informed participation, information should be disclosed in appropriate manner and in the local language. Affected people are entitled to income restoration, livelihood improvement strategies, as well as Gender and Development strategy with clear timeline for measurable outcomes. This is in

reference to the Safeguards provision that states: “to enhance or at least restore the livelihood of

affected people in real terms relative to pre-project level”.

***PHOTOS RETRIEVED FROM

<http://www.trungsonhp.vn/images/home/images/DSC06142.JPG>

http://static.vovworld.vn/w450/Uploaded/truonggiang/2015_04_03/tung%20tung.jpg



FORUM COMPLETES STRATEGY PLAN FOR 2014 - 2020

NGO Forum on ADB is set to implement its “Roadmap to Strategic Campaigning 2014-2020: Towards lasting and systemic change.” The next six years will see Forum striving to effect systemic change within ADB, and by extension its clients so that they respond with greater accountability to the developmental needs and local contexts of Asian communities. Forum is committed to further advancing the rights and intervening in behalf of affected people, whose vulnerabilities have been increased by ADB’s skewed development agenda. A focal point for Working Groups and Member Organizations is strengthening the voice and capacity of the poor, women, ethnic groups and marginalized sectors.

PLANNING PROCESS

Forum began strategizing on its framework, campaign plan and organizational design in December 2012 by way of a preparatory meeting in Bangkok, Thailand. After the country and regional meetings were

conducted the process culminated in November 2013 through an implementation workshop in Silang, Cavite, Philippines.

The International Committee (IC) / Board of Trustees and the executive director guided the long term strategy planning process. A strategy team, comprised of a lead strategist, the IC convener and Secretariat staff, oversaw the conduct and completion of the year long planning.

The end-result of this intensive, participatory and dynamic process is the “Roadmap,” which effectively supersedes the Long Term Strategy Plan of 2006.

COUNTRY CONSULTATIONS

Strategy meetings were held in Armenia, Bangladesh, India, Indonesia, Mongolia, the Philippines, and Sri Lanka. A sub-national consultation took place in Northeast India. There was a reporting of country situationer on Cambodia, Myanmar and Nepal in the 2013 Forum Annual Meeting.

Country Working Groups took cognizance of national perspectives in planning campaign activities concerning ADB-related issues. Members strategized on how to achieve network expansion and reactivation, increased public pressure on the Bank, and sustainability of campaigns in their respective countries.

REGIONAL CONSULTATIONS

Strategy planning occurred in the regions of Central Asia and Caucasus (Bishkek, Kyrgyzstan), Southeast Asia (Bangkok, Thailand) and South Asia (Dhaka, Bangladesh). A sub-regional grouping meeting for Mekong participated in by delegates from Cambodia, Vietnam and INGOs based in the region was also held in Bangkok. Regional Working Groups prioritized key thematic areas, including transboundary linkages, where synchronicity and complementarity in advocacies can be established. This enabled them to develop a five-year consolidated plan of action and intervention.

SIX-YEAR STRATEGY PLAN

The “Roadmap” guides Forum in operationalizing ongoing and future regional thematic campaigns. It provides a mechanism for monitoring and managing the impact/s of its advocacy work. Similarly, it serves to further Forum’s learning vis-à-vis the impact results of its actions.

Forum is building on and adding value to advocacies in Central Asia, Southeast Asia and South Asia on five working themes: water, energy, climate change, urbanization and human rights. Safeguards (environment, involuntary resettlement, Indigenous Peoples) and gender have identified as cross-cutting issues. It is expected that by 2020, the voice and agency of the people of Asia, especially the poor and marginalized, has been raised at a sustainable capacity to engage the ADB towards more lasting and systemic change. This is because Forum has effectively pushed the ADB and its borrowers to become truly accountable, transparent, open and ready in their constructive dialogues with civil society and other stakeholders.



ADB SAFEGUARDS CAN'T PROTECT PEOPLE FROM CURRENT ECONOMIC, ENVIRONMENTAL WOES

The world's leading civil society critic of the Asian Development Bank has scored the shortcomings of the 2009 Safeguard Policy Statement (SPS) to amply protect the Bank's project-affected communities from global problems such as climate change, labor violations, gender impacts and loss of livelihoods.

Citing specific cases in Cambodia and Uzbekistan, NGO Forum on ADB urged ADB President Takehiko Nakao during the recent 47th Annual Governors

Meeting in Kazakhstan to open the SPS for a full-scale review to address policy failings in the face of imminent environmental, social and economic threats to affected people.

"From the standpoint of people who now suffer from new, unforeseen impacts of Greenhouse Gas

Emissions, lack of clear labor standards, gender impacts, and loss of sustainable livelihoods in symbiotic ecological systems, the current SPS provisions are not responsive enough and therefore are weak," stated Rayyan Hassan, executive director of NGO Forum. "As these issues gravely impact people's lives and environments on a daily basis, we ask the ADB why the current Safeguards evaluation has not been opened for an external wherein civil societies and stakeholders are thoroughly involved?"

Hassan said the SPS proved to be inadequate in an ADB project in Uzbekistan called the Amu Bukhara Irrigation System Rehabilitation Project to curtail the issue of forced labor practiced by the current government in cotton plantations. "ADB's support puts in doubt its commitment to poverty alleviation as this project becomes another



instrument to violate Uzbek people's basic human rights."

NGO Forum International Committee convener Hemantha Withanage added that "there is a growing disconnect between the Safeguards policy itself and its implementation on the ground because people's rights get trampled upon and environments get destroyed still. ADB keeps directing displaced communities and civil society groups that represent them to reactive mechanisms such as the Accountability Mechanism, which are often too complex, tedious and delayed to address their grievances."

Withanage stressed that compensation for most people impacted by Cambodia's Railway Rehabilitation Project have yet to come, several years after the project began implementation. He said the crux of the problem lies in the lack of meaningful and honest public consultations at the project design phase. If consultations took place at all, those affected people that participated did not give their unanimous consent to the project. Both Hassan and Withanage said similar complaints from affected communities have been

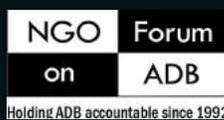


received by NGO Forum member organizations in Myanmar, Nepal, Bangladesh and Vietnam. Hassan asked President Nakao to undertake proactive steps as ADB head to reduce SPS violations on the ground and discontinue ADB's reactive stance to post-project damage through its Accountability Mechanism.

Since the 1990s, NGO Forum on ADB has spearheaded efforts of Asian civil society actors in the creation of these safeguard policies. It has led the fight to enhance policy provisions as well as preserve these provisions in both letter and spirit.

The 2009 ADB SPS is an omnibus policy encompassing environment, involuntary resettlement, and Indigenous People policies. A statement of commitment to protect people and environment from any harm caused by ADB operations, the SPS took official effect only in January 2010.





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