



# NGO FORUM ON ADB ANNUAL REPORT 2018

NGO	Forum
on	ADB



# MISSION

- To stimulate public awareness and action as well as develop closer working ties with Peoples' Organizations (POs), Non-Governmental
- Organizations (NGOs) and other public interest groups on issues related to the Asian Development Bank
- To develop a cohesive framework and overall strategy in coordination with partner NGOs, Community-Based Organizations (CBOs) and Peoples Organizations (POs) for the campaign on the ADB
- To sharpen public debate on and understanding of the Bank's growth-oriented development paradigm and top-down development strategies
- To influence the Bank to adopt poverty reduction-focused and grassroots-based policies for sustainable development
- To critique the development models adopted by the Bank
- To assist and build capacities of Civil Society Organisations (CSOs) and movements (including local communities) through Forum networks to fight for equitable social and environmental justice, democratic governance, and safeguards in Bank's projects

# VISION

- Democratic governance and equitable social, gender and environmental justice enjoyed/flourishing through Asia and the Pacific region
- Enhance the capacities of Civil Society Organizations (CSOs) and movements in the Asia Pacific to amplify their struggles against ADB policies, projects, and programs that threaten people's lives, the environment, and their communities

# GOAL

- To make the ADB responsible and accountable for the impacts of its projects and policies.

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# WORDS FROM THE IC CONVENER

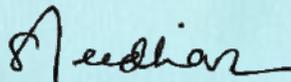
This year has been a tumultuous year in the global geopolitics with changes in several countries portending further restraint and constraints to local and global civil society movements. This makes the role of the Forum much more critical to enable voices of the weak from the ground levels to reach the highest echelons of political and economic decision making.

The year also saw the release of the IPCC report on implications of going beyond a 1.5 degree warming which portends severe impacts to a large cross-section of people particularly the global poor. This makes the work of the Forum in pushing for decarbonising the banks and nations extremely relevant and crucial. Some of the efforts over the year have been successful raising these concerns at various national and international forums and has made decision makers to engage civil society organisations more explicitly in their policy formulation.

The efforts to the support grassroots groups to articulate their concerns and seek remedial action from Banks have brought about the importance of linking local to global and has helped local groups to enhance their capacity for evidence gathering and reporting violations in policy. These efforts have also demonstrated the need for strengthening and expanding these activities in a more systemic manner in the forthcoming years.

Forum's further foray into issues of gender and social protection in the year is an important and welcome development which needs to be fostered given the rising concerns.

I would like to congratulate the Secretariat for their untiring efforts in following the development and implementation of the policies of the MDBs and informing the membership of the implications. I would like to thank all members of the forum for their diverse efforts in enabling communities to ensure that their rights are respected. I deeply value the continued support of the former IC members and the active contribution of co-members in strengthening the efforts of the Forum.



**Sreedhar Ramamurthi**  
India  
International Convener

2018's engagement with the ADB and AIIB can be described as fervent and consistent, carrying the momentum from the ADB 50 years of operation in Asia and the 2nd AIIB Annual Meeting in Jeju Island, South Korea.

This year was also filled with significant and meaningful meetings with ADB and AIIB's ED, AED's, and other concern management personnel. With lobbying comes position papers, statements, and letters concerning project monitoring, public communication policy, safeguards, accountability mechanism, etc.

The Forum membership was also revitalised due to several consultation engagements in different regions, particularly in Central Asia, Southeast Asia, and South Asia.

## FORUM ANNUAL MEETING

Prior to the ADB Annual Governors Meeting, the Forum Annual Meeting (FAM) took place in Mandaluyong, Philippines. For 2018 FAM's objectives are -

- Evaluate the Forum's mandate
- Elect new set of International Committee (IC) for 2018 - 2020
- Introduce new set of IC members to the Forum membership

In addition, this years FAM emphasised the need to reflect on the network's use of resources, distribution capacity of skills, and implementation of various campaigns and programs in the context of what is happening in the region.

The first day was about levelling of expectations, reporting on the works done by the network on ADB and AIIB followed by buzz sessions and presentations.

The second day was presentations about Trends in Mega Infrastructure and Chinese Infrastructure Investment. The session ended with a reflection and Forum's mandate evaluation.



# ASIAN DEVELOPMENT BANK'S ANNUAL GOVERNORS MEETING

The ADB 51st Annual Governors Meeting (AGM) took place in Manila, Philippines, the Forum network was able to organise/convene 3 panels -

1. Shrinking Democratic Space in Asia and the Challenge of Ensuring Environmental and Social Safeguards in Large-Scale Infrastructure
2. ADB Discusses Private Sector Operations in the Energy Sector with Civil Society
3. Decent Work to Link People and Economies toward Sustainable, Inclusive and Resilient Asia and the Pacific

There was also the dialogue with Bank President Takehiko Nakao where the Forum made mention of different projects that are harming the environment as well as the communities in different parts of the world.

While the AGM is happening inside the ADB Headquarters, an outside activity is being conducted by the network members carrying the battle cry "ADB BAD".



## STRATEGY MEETING ON ENERGY

The Strategy Meeting on Coal and Energy: Session on Engaging the Multilateral Development Banks (Focus on ADB and AIIB) took place in Philippines, Bangladesh and Kyrgyzstan with the following objectives:

- To support and strengthen coordination, cooperation and collaboration on climate and energy campaign.
- To identify common advocacy strategies and weaving through the policy discourse into IFI project implementation.

- To map out a broad schematic of joint initiatives and plans for 2018 and beyond.

Also, it took a closer look on ADB's lending portfolio revealing that it has been a major player in financing coal – fired power plant globally.

According to the World Resources Institute on Global Coal Risk Assessment from 1994 – 2009, ADB is the third largest public international financier of coal – fired power

plants, investing US\$ 3.9 billion in twenty – one (21) projects.

As ADB is redrafting its Strategy 2030 roadmap there remains to be a clear language on how ADB will support Paris Accord and the Sustainable Development Goals. Equally missing is the lack of any performance indicators or transition plan to phase out energy investments from fossil fuel to renewable energy sources.

In the case of the Asian Infrastructure Investment Bank (AIIB), its President pointed

out the role of the new bank in the implementation of the Paris Agreement and the remarkable absence of coal projects in AIIB’s pipeline. However a closer scrutiny of its Energy Sector Strategy (ESS) still identifies that “carbon efficient oil and coal – fired power plants would be considered if they replace existing less efficient capacity or are essential to the reliability and integrity of the system; or no viable or affordable alternative exists in specific cases.” This is similar to the World Bank’s energy strategy of including instances where financing for coal is still deemed acceptable.

## FACE TO FACE CONSULTATION ON AIIB’S POLICY ON PUBLIC INFORMATION (PPI) AND PROJECT-AFFECTED PEOPLES’ MECHANISM (PPM)

NGO Forum on ADB was able to conduct the “Face to Face Consultation on AIIB’s Policy on Public Information (PPI) and Project-affected Peoples’ Mechanism (PPM)” in three regions, Southeast Asia, which took place in Manila, Philippines, South Asia, in Dhaka, Bangladesh, Central Asia & Caucasus, in Bishkek, Kyrgyzstan.

The objectives of the activity was to -

- Come to an understanding on the PPI and PPM Policies and their implementation;
- Level off on Key Concerns/Risks and Identify Key Demands on PIP and PPM for input;
- Come up with the agreed process in relaying these key concerns

The meeting also gave way to the following -

1. Raising key points, concerns and risks, and demands on PPI and PPM for inclusion into both draft policies in the context of Southeast Asia and the Mekong;
2. Hearing from the representatives the nuances of these policies; what make them different; how will these be effective in addressing concerns from communities;
3. Clarifying on these key concerns, processes and implementation/guidelines; and
4. Coming to agreements and the next steps of actions.

## SOUTHEAST ASIA



## SOUTH ASIA



## CENTRAL ASIA & CAUCASUS



# PEOPLE'S CONFERENCE ON CHALLENGING INFRASTRUCTURE FINANCE



During the 3rd AIIB Annual Meeting, NGO Forum hosted a series of activities which included various workshops, dialogue spaces, and social media campaigns surrounding the Mumbai events.

A five parallel panel sessions was organised with an overall objective of discussing key issues surrounding AIIB and corresponding environmental and social justice demands of affected communities.



The Forum intends to nurture discussions and inputs which are regional in nature emphasizing stories, cases, and perspectives being shared by civil society groups from Asia especially South East Asia, Mekong, and South Asian countries. The sessions are -

1. Energy Access and Role of IFIs
2. Deconstructing the Project Affected Peoples Mechanism (PPM): A question of compliance and non-compliance to AIIB standards
3. Projects, Co-financing, and Role of Financial Intermediaries
4. IFI Investments and Linear Projects and Disclosure Policy
5. Shrinking Democratic Space and Counter Movements to Create an Enabling Environment



## **BUILDING A REGIONAL PLATFORM OF GRASSROOTS - LED GENDER ADVOCACY GROUPS TARGETED ON THE SOCIAL AND ENVIRONMENTAL ACCOUNTABILITY OF ADB AND AIIB**

Also during the week of the AIIB Annual meeting, NGO Foun on ADB organised the “Building a regional platform of grassroots - led gender advocacy groups targeted on the social and environmental accountability of ADB and AIIB” which aims to establish a regional platform of groups under the NGO Forum on ADB banner to take on the campaign for gender justice against ADB and AIIB.

This dialogue saw how development financing have led to policies that contributed to unequal distribution of unpaid care work, poor access to health care services, and natural resources

and persistent gender discrimination in the labor market.

The desired outcome of this gathering is to build a regional platform of gender advocacy groups under the NGO Forum on ADB banner.

The regional platform is expected to be the base from which a broader policy advocacy campaign can be initiated on both ADB and AIIB. IFIs like these two banks should be accountable on their policies and development financing that impact gender justice and respect women’s rights across Asia.

# ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB) ANNUAL MEETING



This year the 3rd Asian Infrastructure Investment Bank (AIIB) Annual Meeting took place in Mumbai, India from June 25 to 26, 2018.

NGO Forum on ADB along with partner CSO's was able to meet with top management of the bank and discuss the following projects -

1. Bhola Integrated Power Plant (Bhola IPP) in Bangladesh
2. Amaravati Sustainable Development Project in India
3. Tarbela 5 Hydropower Extension Project in Pakistan
4. Myingyan Power Plant Project in Myanmar

5. Beijing Air Quality Improvement and Coal Replacement Project in China
6. Regional Infrastructure Development Fund in Indonesia
7. National Slum Upgrading Project in Indonesia
8. Proposed 280 MW Nenskra Hydropower Plant Nenskra in Georgia

Despite NGO Forum on ADB's long term engagement with the AIIB this is the first time to have a high – level meetings with the management and project team. The AIIB showed concern on reputational risks particularly when the CSO's go public in some issues.

Regarding the Nenskra Hydropower Project, the non-compliance at the ADB have resulted to postponement of the project at AIIB. It is worthwhile to find the clients of the bank on-site at the AGM.

It is also worth noting that the CSO's are successful in initiating public comments but not meaningful consultation process yet with the bank. In addition, the Environmental and Social Framework (ESF) implementation still shows gaps in terms of the Bank's commitment to protect women and vulnerable groups.

Lastly, the Policy on Public Information (PPI) and Project – Affected Peoples Mechanism (PPM) are not yet approved. If it were not for CSOs' criticisms, the Board would have approved it. The Bank is playing the game of attrition. They might allow for slight improvement and for INGOs to represent but it is still not significant.

## UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)



The Forum also attended the Bangkok Climate Change Conference. The United Nations Framework Convention on Climate Change (UNFCCC) is a conference which aims to keep a global average temperature rise this century well below 2 degrees Celsius and to drive efforts to limit the temperature increase even further to 1.5 degrees Celsius above pre-industrial levels.

The UNFCCC is also the parent treaty of the 1997 Kyoto Protocol. The ultimate objective of all agreements under the UNFCCC is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system, in a time frame which allows ecosystems to adapt naturally and enables sustainable development.

## ASIA-EUROPE PEOPLE'S FORUM (AEPF 2018)

During the first week of October, the Forum attended the Asia-Europe People's Forum (AEPF) in Ghent, Belgium. The AEPF is a biennial People's Forum since 1996 when it began as a parallel initiative to the first ASEM Summit held in Bangkok.

It was established as a platform and Forum to amplify people's voices on the need to respect and fulfil social, economic and human rights for all across Asia and Europe, and to highlight the importance of developing just, equal and inclusive approaches to regional integrations. For over twenty years, the People's Forum has consistently worked for meaningful civil society, Trade Union and peoples' movements' participation in the discussions and processes of ASEM and its member's countries.

The 12th ASEM-summit, the Heads of State and Government meeting will be held in Belgium, on October 18 and 19, 2018. Following the positive practice since 1996, the AEPF will organize a parallel interregional civil society meeting from September 29 till October 1, 2018.

This years aim is to understand and learn from struggles and resistance over the past two decades in Asia and Europe that have confronted and challenged neoliberalism, corporate-led globalization and global capitalism in its various phases and to make a direct link with the public and citizens' initiatives in Ghent. The discussions and exchanges will result in an AEPF-Statement to be presented by AEPF-representatives at the beginning of the 2018 ASEM-summit.



## ENERGY STRATEGY MEETING

The Energy Strategy Meeting took place in Bali, Indonesia with the national objective of focusing on a national strategy leading into a regional strategic target in Decarbonizing ADB and AIIB. The primary goal is to ensure energy needs for all in line with meeting the Paris Agreement.

NGO Forum on ADB's aim is to identify what the membership wants in broad terms and also identify key national energy planning processes at key countries where civil society can engage and bring just transition and sustainable energy alternatives into the forefront of the national energy debate.

The top 3 key issues that came out from the 2 – day strategy are the following:

- Significant milestones achieved on coal-related campaigns. Accordingly, Asia is facing pressure as 9 out of 10 new coal-fired power plants are in the region. In addition, Asia is also said to be a hotbed for energy transition globally. Nonetheless from, 2017 – 2018 up to the lead up to the 2019 Conference of Parties (COP) in Bonn, Germany there are significant milestones that were collectively achieved by CSOs, peoples' movements and communities fighting against coal. These include a) launching of the Powering Past Coal Alliance; b) reassertion of the Climate Vulnerable Forum (CVF); c) Norwegian pension funds diversion; d) global companies moving to renewables; e) as well as filing of energy and climate change-related complaints to International Accountability Mechanisms, etc. to name a few. While the success of these campaigns and movements remain to be at different stages, these developments should be used as leverage in tackling ADB and AIIB.
- While there are big wins on stopping coal, there remains to a number of outstanding challenges to essentially achieve the just



transition to RE. Multilateral development banks (MDBs) seem to be moving their respective portfolios to increased natural gas power plants while the focus of campaigns are still on coal. Liquefied natural gas (LNG) projects are seen to be “environment – friendly” as compared to coal – fired power plants. Construction of coal plants, which will later on be replaced by LNG, is seen as the trend nowadays.

- Strengthening the case for renewable energy. In addition to the shifting of portfolios of MDBs to LNG, the other common narrative that these banks are promoting is their respective “climate – smart policies, technologies and increasing of RE portfolios.” However upon closer inspection this narrative can be easily refuted as there are hydropower, geothermal and solar farm projects which pose risks to the environmental integrity of these projects as well as potential land grabbing and displacement issues. The conversation on REs is essentially not a divide between what is a good or bad type of renewable. However it rests on the outcome of these projects and on the peoples' perspectives – how will local communities suffer or benefit the said project.

# PAPER PRESENTATION ON PRIVATE CAPITAL AND FI'S ENERGY STUDY CONCEPT

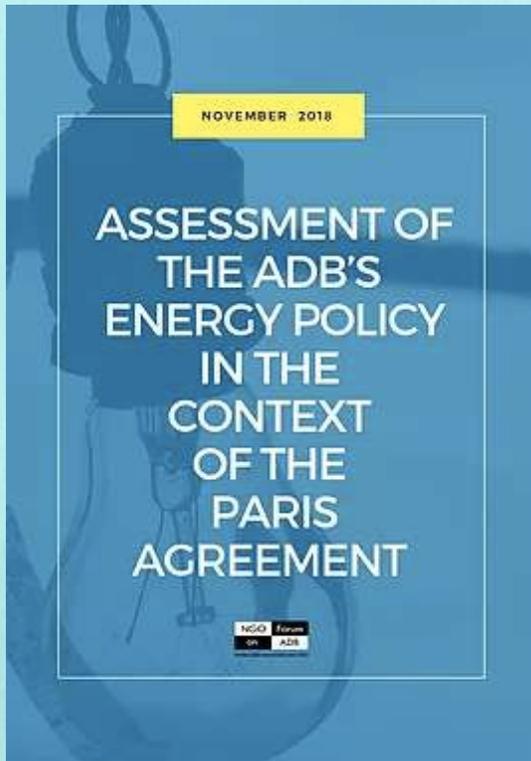
This activity was co-organized with Freedom from Debt Coalition with the aim to introduce the concept of People's Economy to the public as well as present the result of the research paper "Private Capital and FI's Energy Study Concept".

The event aims to challenge and push back the economic policies of the Duterte administration that lead to more onerous debt, regressive taxation, anti-people fiscal policies, including trade and investment ambitions, that are based generally on continuing the neoliberal paradigm, and the advancement of the people's alternative agenda to address the perennial problems of poverty and inequality. The event took place at the PUP Hasmin Hostel last November 22, 2018.



## RESEARCH AND PUBLICATIONS

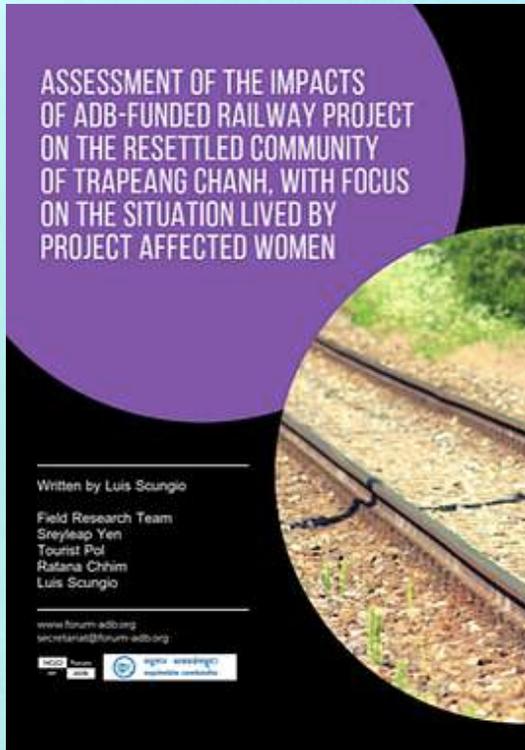
This year NGO Forum on ADB was able to produce the following publication -



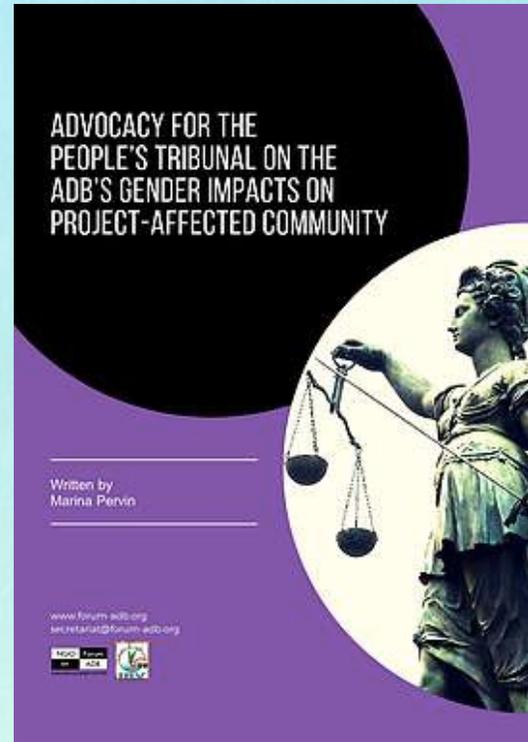
The research “Assessment of the ADB’s Energy Policy in the Context of the Paris Agreement” is a desk-based analysis of the ADB’s 2009 Energy Policy was commissioned by the NGO Forum on the ADB. It is undertaken by applying international norms agreed upon by both borrowing and non-regional member countries of the ADB to provide minimal benchmarks that should not be undermined by the financing provided by the Bank, regardless of whether it is for the public or private sector. The research was conducted and written by Tanya Lee.



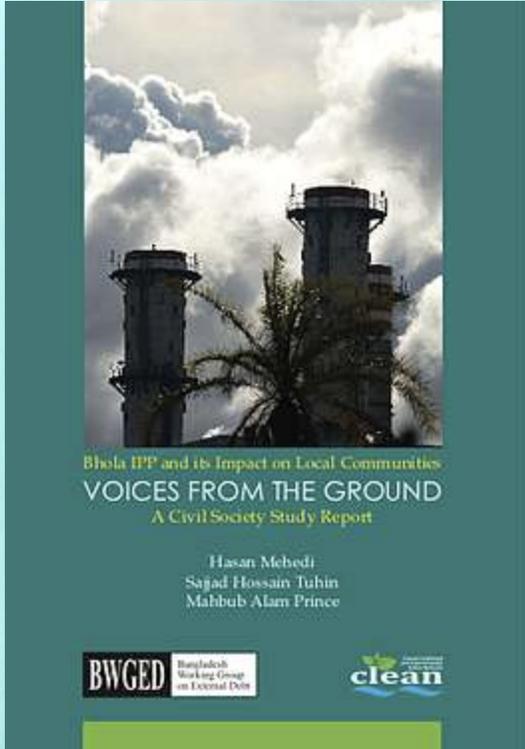
The “Gender Impact Research of the Kolkata Environmental Improvement Project in India” written by Ayantika Das and Vidya Dinker talks about significant changes in the pattern of urban growth in India, with emphasis on the Kolkata Environmental Improvement Project funded by the Asian Development Bank (ADB) in order to change the conditions of environmental degradation which has been happening over many years in major cities.



The research “Assessment of the Impacts of the ADB funded railway project on the resettled community of Trapeang Chanh” written by Luis Scungio focuses on the situation lived by project affected women of the ADB financed railway project in Cambodia.



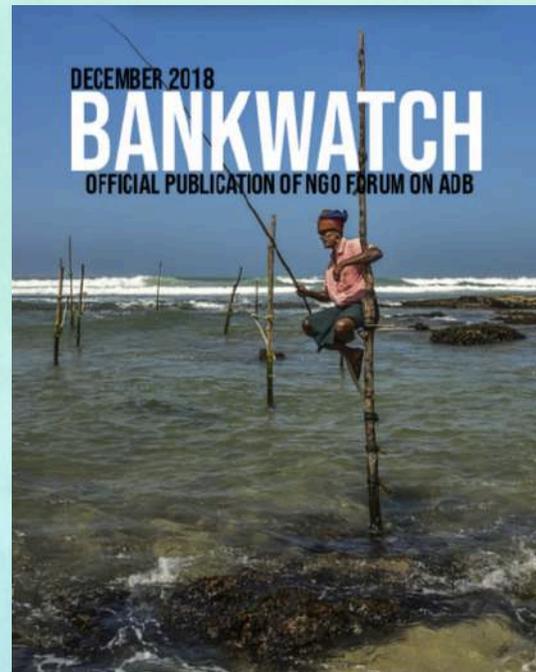
"Advocacy for the People's Tribunal on the ADB's Gender Impacts on Project Affected Community" is a research that gathered evidence for the People's Tribunal to challenge the privilege of immunity of the Asian Development Bank (ADB) that will consequently have impacts in the development of legal discussions on accountabilities of other multilateral development banks (MDBs).



“Voices from the Ground: Bhola IPP and its Impact on Local Communities, A Civil Society Study Report” written by Hasan Mehedi, Sajjad Hossain Tuhin and Mahbub Alam Prince is a research that investigated and assessed environmental and social impacts of the Bhola Integrated Power Plant (Bhola-II) project implemented by Nutan Bidyut Bangladesh Limited (NBBL) and financed by Asian Infrastructure Investment Bank (AIIB) and Islamic Development Bank (IsDB) in Burhanuddin Upazila, Bhola District, Bangladesh.



Bankwatch October Issue



Bankwatch December Issue

# FINANCE REPORT

**NGO FORUM ON ADB, INC.**  
*(a Nonstock, nonprofit Organization)*

Quezon City, Philippines

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## **FINANCIAL STATEMENTS**

for the years ended December 31, 2018 and 2017

**AND**

**AUDITORS' REPORT**



**REDOR, EMERSON & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

# FINANCE REPORT



**REDOR, EMERSON & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
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*PRC/BOA Certificate of Registration No. 015*  
 (valid until January 15, 2022)

**The Board of Trustees and general membership**  
**NGO FORUM ON ADB, INC.**

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying financial statements of **NGO FORUM ON ADB, INC.** (a *nonstock, nonprofit organization*), which comprise the balance sheet as at December 31, 2018 and 2017 and the related statements of revenues and expenses, changes in fund balances, cash flows for the years then ended, statement of revenues, expense and changes in fund balances for restricted funds, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **NGO FORUM ON ADB, INC.** as at December 31, 2018 and 2017, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (SMEs).

### Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

**REDOR, EMERSON & CO.**  
Certified Public Accountants

**The Board of Trustees and general membership**  
**NGO FORUM ON ADB, INC.**  
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**Auditor's Responsibilities for the Audit of the Financial Statements**

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

**REDOR, EMERSON & CO.**  
Certified Public Accountants

**The Board of Trustees and general membership**  
**NGO FORUM ON ADB, INC.**  
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**Auditor's Responsibilities for the Audit of the Financial Statements (contd)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
**RODRIGO E. NIANGO JR.**  
Partner  
CPA Certificate No. 0133865  
TIN 217-761-542-000  
PTR No. 7446242  
January 10, 2019  
Quezon City, Metro-Manila

April 11, 2019

NGO FORUM ON ADB, INC.  
(A Non-Stock, Non-Profit Organization)  
STATEMENT OF FINANCIAL POSITION  
(in Philippine pesos)

December 31,	Notes	2019	2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,140,738.01	7,480,945.87
Accounts receivable	7	152,475.12	368,442.80
<b>TOTAL CURRENT ASSETS</b>		<b>1,333,213.13</b>	<b>7,869,388.60</b>
<b>PROPERTY AND EQUIPMENT - Net</b>	8	<b>18,030.16</b>	<b>41,229.83</b>
<b>OTHER ASSETS</b>		<b>614,613.19</b>	<b>881,155.00</b>
Miscellaneous deposits/prepayment			
<b>TOTAL ASSETS</b>		<b>1,865,856.48</b>	<b>8,791,773.61</b>

LIABILITIES AND FUND BALANCES

<b>CURRENT LIABILITIES</b>	9	<b>2,995,077.24</b>	<b>2,584,872.01</b>
Accounts payables			
<b>FUND BALANCES</b>			
General fund		(1,970,173.45)	2,436,766.79
Restricted funds	17	912,933.52	3,710,911.99
Property and equipment fund	8	18,930.16	41,229.83
<b>TOTAL FUND BALANCES</b>		<b>(1,039,219.77)</b>	<b>6,198,908.61</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>1,865,856.48</b>	<b>8,791,773.61</b>

See accompanying notes to financial statements

NGO FORUM ON ADB, INC.  
(A Non-Stock, Non-Profit Organization)  
STATEMENT OF CHANGES IN FUND BALANCES  
(in Philippine pesos)

Years ended December 31,	Notes	GENERAL FUND	RESTRICTED FUNDS	PROPERTY AND EQUIPMENT FUND	2018	2017
Fund Balances, beginning		-	-	41,229.82	41,229.82	8,550,092.74
ADD (DEDUCT)				(25,199.67)	(25,199.67)	(3,393,185.15)
Excess (shortage) of revenues over expenses		(4,443,260.79)	-	-	(4,443,260.79)	(5,155,877.77)
Fund balance deleted and movement		2,436,766.79	-	-	2,436,766.79	-
<b>FUND BALANCES, December 31</b>		<b>(2,006,493.99)</b>	<b>-</b>	<b>18,030.15</b>	<b>(1,988,463.83)</b>	<b>41,229.82</b>

NGO FORUM ON ADB, INC.  
(A Non-Stock, Non-Profit Organization)  
**STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCES**  
(in Philippine pesos)

	Years ended December 31,	2018	2017
<b>REVENUES</b>			
General fund		7,432,407.40	11,625,083.61
Restricted funds		151,402.00	16,430.27
Contributions		-	-
Interest income		176,088.85	216,755.00
Foreign exchange transactions		-	-
<b>TOTAL REVENUES</b>		<b>7,533,807.40</b>	<b>12,151,278.17</b>
<b>LESS: EXPENSES</b>			
Information management	11	8,146,883.41	12,151,278.17
Research/Policy Analysis and Publication	7	1,122,362.86	925,587.61
Advocacy Support and Network Building	13	3,768,405.57	3,843,516.15
Capability Building and Internship	14	7,675,863.36	8,231,926.32
Personnel	15	2,986,420.34	7,500,000.00
Organizational Expenses	16	1,813,628.61	995,853.55
Depreciation	8	23,199.67	23,200.97
<b>TOTAL EXPENSES</b>		<b>15,385,974.78</b>	<b>15,614,461.31</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>		<b>(7,852,167.38)</b>	<b>(3,463,183.14)</b>
<b>OVER EXPENSES</b>		<b>(7,236,121.37)</b>	<b>(3,695,504.42)</b>
ADD: Fund balance beginning		6,186,301.00	9,950,092.74
<b>FUND BALANCES, December 31</b>		<b>(1,050,173.45)</b>	<b>(1,239,216.77)</b>
See Accompanying Notes to Financial Statements			

NGO FORUM ON ADB, INC.  
(A Non-Stock, Non-Profit Organization)  
**STATEMENT OF CASH FLOW**  
(in Philippine Pesos)

	Years ended December 31,	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficiency of revenues over expenses		(7,236,121.37)	(3,383,181.14)
Add (Deduct):			
Depreciation expense		23,199.67	23,205.67
Changes in assets and liabilities:			
Decrease (Increase) in Accounts Receivable		195,967.81	(10,867.24)
Miscellaneous deposits/Prepayment		366,641.81	(686,700.00)
Increase (Decrease) in Accounts Payable		310,204.12	285,038.28
<b>Net cash used in operating activities</b>		<b>(6,340,207.96)</b>	<b>(3,642,514.42)</b>
Cash flow from office acquisition		-	(53,890.00)
<b>NET DECREASE IN CASH</b>		<b>(6,340,207.96)</b>	<b>(3,696,404.42)</b>
<b>CASH AND CASH EQUIVALENTS BALANCE</b>		<b>7,480,945.87</b>	<b>11,177,450.28</b>
Beginning of year			
<b>END OF YEAR</b>		<b>1,140,738.01</b>	<b>7,480,945.87</b>
See accompanying Notes to Financial Statements			

NGO FORUM ON ADB, INC.  
(A Non-Stock, Non-Profit Organization)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES OF RESTRICTED FUNDS  
(in Philippine pesos)

Years ended December 31,	Notes	11.11.11 COALITION	C.S. MOTT FOUNDATION	BOTH ENDS	GROWALD FAMILY FUND/ EUROPEAN CLIMATE FUND	HEINRICH BOLL FOUNDATION	OXFAM AUSTRALIA	2018 TOTAL
<b>REVENUES</b>								
Grants/other donations		3,110,148.41	-	1,405,463.74	442,170.00	1,440,529.54	1,134,595.71	7,532,907.40
<b>TOTAL REVENUES</b>		3,110,148.41	-	1,405,463.74	442,170.00	1,440,529.54	1,134,595.71	7,532,907.40
<b>LESS: EXPENSES</b>								
<b>Information Management</b> 11								
Salaries & benefits		107,100.00	36,583.31	-	-	-	113,022.00	250,705.31
Websites/webhosting & other expense		160,824.16	-	69,637.23	-	-	-	230,461.39
Other Contracted Services		-	62,500.00	5,000.00	-	-	-	67,500.00
Sub-total		267,924.16	102,083.31	74,637.23	-	-	113,022.00	557,566.70
<b>Research/Policy Analysis and Publication</b> 12								
Salaries & benefits		157,500.00	101,590.25	-	64,361.37	-	185,370.00	512,467.62
Foreign travel & other expenses		-	456,385.12	-	-	-	-	456,385.12
Publication		136,500.00	67,254.75	-	473,321.25	-	-	676,076.00
Sub-total		293,999.99	625,330.12	-	536,222.62	-	185,370.00	1,544,928.74
<b>Advocacy Support and Network Building</b> 13								
Policy review		1,089,654.85	444,815.05	1,065,516.47	1,490,732.75	608,820.96	94,030.22	4,993,579.50
NGO campaign at ADB annual meeting		250,500.24	13,145.00	-	-	-	94,364.27	358,017.01
Forum annual meeting		521,782.41	85,192.90	-	-	-	-	616,975.31
Other Contracted Services		-	569,293.54	-	-	-	-	569,293.54
Network Building		-	-	-	-	-	-	-
Salaries & benefits		107,100.00	121,077.66	-	6,390.00	-	58,207.34	292,775.00
Sub-total		1,979,023.50	1,243,446.25	1,065,516.47	1,497,122.75	608,820.96	246,801.83	6,346,533.36
<b>Capability Building and Internship</b> 14								
Skills/aware workshop		-	-	-	-	-	-	-

NGO FORUM ON ADB, INC.  
(A Non-Stock, Non-Profit Organization)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES OF RESTRICTED FUNDS  
(in Philippine pesos)

page 2

Years ended December 31,	Notes	11.11.11 COALITION	C.S. MOTT FOUNDATION	BOTH ENDS	GROWALD FAMILY FUND/ EUROPEAN CLIMATE FUND	HEINRICH BOLL FOUNDATION	OXFAM AUSTRALIA	2016 TOTAL
<b>Personnel</b> 15								
Salaries & benefits		185,850.00	186,318.00	-	6,360.00	-	41,891.74	420,449.74
Legislated benefits		-	82,241.98	-	-	-	-	82,241.98
Medical benefits		-	44,884.30	-	-	-	-	44,884.30
Other contracted services		38,180.00	-	-	5,065.00	-	15,255.00	58,500.00
Sub-total		224,030.00	323,444.28	-	11,465.00	-	57,146.74	616,076.02
<b>Organizational Expenses</b> 15								
Office rent		67,413.00	82,000.00	41,000.00	4,005.00	-	34,346.00	228,825.00
Utilities		42,386.41	-	6,302.53	3,595.07	-	43,304.03	97,648.84
Local transportation		17,786.00	11,112.93	4,730.80	-	-	27,706.35	61,335.08
Audit fees & other expenses		20,000.00	23,117.24	-	14,739.00	-	8,634.76	66,491.00
Postage and communication		-	13,466.14	61,608.47	13,034.03	3,087.00	11,314.61	169,541.55
Taxes, licenses & other expenses		-	13,522.01	-	-	-	-	13,522.01
Office & equipment supplies		-	1,000.00	58,328.00	7,845.00	-	37,700.00	106,953.00
Repairs & maintenance		-	2,500.00	-	-	-	-	2,500.00
Bank charges		-	-	-	-	693.17	-	693.17
Reproduction of materials		-	-	1,139.90	-	-	-	1,139.90
Representation allowance		-	-	-	-	-	-	-
Foreign exchange loss		-	-	-	-	-	-	-
Sub-total		147,555.41	146,838.32	175,100.60	43,278.90	3,781.07	183,127.75	679,891.05
<b>TOTAL EXPENSES</b>		2,911,533.07	2,441,150.28	1,315,283.30	2,050,079.27	812,601.83	768,268.32	10,338,895.87
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>		198,615.34	(2,441,150.28)	90,200.44	(1,647,909.27)	627,927.91	366,327.39	(2,865,588.47)
<b>ADD (DEDUCT)</b>								
Fund balance, beginning		85,380.27	2,441,150.28	(90,200.44)	1,647,909.27	-	(366,327.39)	3,718,911.98
<b>FUND BALANCES (DEFICIENCY), December 31, 2018</b>		284,965.61	-	-	-	627,927.91	-	912,923.52

See Accompanying Notes to Financial Statements

**NGO FORUM ON ADB, INC.**  
(A Non-Stock, Non-Profit Organization)

**NOTES TO FINANCIAL STATEMENTS**  
(In Philippine Pesos)  
December 31, 2018 and December 31, 2017

**1. GENERAL INFORMATION**

The NGO Forum on ADB, Inc. is a nonstock, nonprofit organization involved in conducting scientific and other researches as the means of assisting charitable organizations in understanding the work of the Asian Development Bank (ADB); developing closer working ties with other Asian Non-governmental Organizations/Peoples Organizations (NGOs/POs) and other public interest groups regarding advocacy work related to the ADB; stimulating public awareness and action on issues related to the ADB; and sharpening public debate and understanding of the basic issues on ADB's growth-oriented development model and centralized top-down development. Its operations are principally funded by grants and donations from foreign and local institutions and groups as well as individuals. The Organization was incorporated with the Philippine Securities and Exchange Commission on May 28, 2001.

The Organization leases and maintains its office at 85-A Masikap Ext., Barangay Central, Diliman, Quezon City, Philippines. It has 6 regular staff as of December 31, 2018 and 6 regular staff for December 31, 2017.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements of the Organization have been prepared on the historical cost basis. The financial statements are presented in Philippine Peso, which is the Organization's functional currency, and all values represent absolute amounts except when otherwise indicated.

**Statement of Compliance**

The financial statements of the Organization as at and for the year ended December 31, 2017 was prepared in accordance with the PFRS for Small Entities (the "Framework") as approved by Financial Reporting Standards Council, Board of Accountancy, and Securities and Exchange Commission (SEC).

The Section 29 (Transition to the Framework) of Philippine Financial Reporting Standards for Small Entities has been applied earlier than its mandatory effective date of January 1, 2019, as allowed by the standard itself and the existing SEC rules and regulations.

**NGO FORUM ON ADB, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**Financial Reporting Framework**

The following sections are the updated accounting standards from the International Accounting Standards Board and adopted to the Financial Reporting Standards Council (FRSC) and will be effective as of January 1, 2019.

- Section 3 – Financial Statement Presentation
- Section 5 – Accounting Policies, Estimates and Errors
- Section 6 – Basic Financial Instruments
- Section 12 – Property, Plant and Equipment
- Section 15 – Leases
- Section 16 – Provision and Contingencies
- Section 18 – Revenue
- Section 21 – Impairment of Assets
- Section 22 – Employee Benefits
- Section 23 – Income Tax
- Section 24 – Foreign Currency Translation
- Section 25 – Events after the End of the Reporting Period
- Section 29 – Transition to the Framework

The adoption of the above sections, upon which the Organization has opted to adopt, did not have any significant effect on the Organization's financial statements. These, however, require additional disclosures on the Organization's financial statements.

Section 3, "Financial Statement Presentation", explains fair presentation of financial statements, what compliance with the PFRS for Small Entities requires, and what a complete set of financial statement is. This section prescribes the basis for presentation of general purpose financial statements for SMEs to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

**Financial Reporting Framework(Continued)**

Section 5, "Accounting Policies, Estimates and Errors", provides guidance for selecting and applying the accounting policies used in preparing financial statements. It also covers changes in accounting estimates and corrections of errors in prior period financial statements.

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**Financial Reporting Framework(Continued)**

Section 6, "Basic Financial Instruments", deals with recognizing, measuring and disclosing basic financial instruments and is relevant to all entities. An entity shall recognize a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognized initially, an entity shall measure it at the transaction price unless the arrangement constitutes, in effect, a financing transaction.

Section 12, "Property, Plant and Equipment", prescribes the accounting treatment for property equipment so that users of the financial statements can discern information about an entity's investment in its property and equipment and the changes in such investment. The principal issues in accounting for property and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognized in relation to them. An entity shall measure an item of property and equipment at initial recognition at its cost. The cost of an item of property and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Section 15, "Leases" applies to agreements that transfer the right to use assets even though substantial services by the lessor may be called for in connection with the operation or maintenance of such assets. This section does not apply to agreements that are contracts for services that do not transfer the right to use assets from one contracting party to the other. Its objective is to prescribe, for lessees and lessors, the appropriate accounting policies and disclosure to apply in relation to leases.

Section 16, "Provision and Contingencies", outlines the recognition of provision only when: (a) the entity has an obligation at the reporting date as a result of a past event; (b) it is probably (i.e. more likely than not) that the entity will be required to transfer economic benefits in settlement; and (c) the amount of the obligation can be estimated reliably. Its objective is to ensure that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount.

Section 18, "Revenue", prescribes the accounting treatment of revenue arising from certain types of transactions and events. The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. This section identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognized. It also provides practical guidance on the application of these criteria. An entity shall measure revenue at the fair value of the consideration received or receivable.

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**Financial Assets**

Financial assets include Cash and Receivables.

**2a. Cash**

Cash includes cash on hand; cash in banks and petty cash fund. Cash on hand as of the end of the period were deposited intact. Cash in banks are deposits held at call with banks. The Organization reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures. Petty Cash Fund is used for small payments not covered by checks.

**2b. Receivables**

**Advances**

Cash advances were made to officers and personnel who are assigned in the field to carry out program objectives of the various projects of the Organization. Such advances were liquidated against program/project related expenses. The balance represents unliquidated advances as of balance sheet date.

**Financial Assets(Continued)**

**Receivables-Others**

These represent amount collectible from individuals and organizations other than those classified as advances.

**2c. Other Current Assets**

Other current assets include prepayments and deposits which are valued at the lower of cost or net realizable value.

**2d. Property and Equipment**

Property and equipment are measured initially at its cost. Property and equipment, after initial recognition are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment, comprises its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of initial delivery and handling, installation and assembly, and testing of functionality.

The following costs are not costs of an item of property and equipment, and the entity recognized them as an expense when they are incurred: cost of opening a new facility, administration and other general overhead costs and borrowing costs.

For financial reporting purposes, duties and taxes related to the acquisition of property and equipment are capitalized. For income tax reporting purposes, such duties and taxes are treated as deductible expense in the year these charges are incurred.

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**Financial Assets(Continued)**

For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the assets.

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which an entity expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The entity shall account for the change as a change in an accounting estimate.

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life as a change in an accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property and equipment is recognized in profit or loss when the item is derecognized (unless leases requires otherwise on a sale and leaseback) such gain is not recognized as revenue.

**Financial Liabilities**

Financial liabilities are recognized initially at fair value.

Financial liabilities are recognized when the Organization becomes a party to the contractual provisions of the instrument.

Financial liabilities include Payable - Accrued Expenses and Other Payables.

**2e. Payables**

Reimbursable Expenses

Other Payables include payables to staff and other entities arising from various reimbursements.

Accrued Expenses

These represent amount owed to individuals and organization which are payable within the normal accounting cycle or on demand. Included in this account are expenses contracted and incurred during the current year but will be paid in the succeeding year.

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**Financial Liabilities(Continued)**

**2f. Other Liabilities**

**Current Statutory Liability**

These accounts represent government-required personnel contributions and taxes withheld against salaries. These are intended to be remitted to the respective agencies.

**Funds Held in Trust**

This account refers to deposits to the Organization's bank accounts which are intended for other individuals or organizations. It is credited when cash is deposited and debited when disbursement is made to the intended party.

**Financial Instruments**

**Date of Recognition**

The Organization recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument.

**Initial Recognition of Financial Instruments**

All financial assets are initially recognized at fair value.

**Determination of Fair Value**

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

**Impairment of Financial Assets**

The Organization assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NGO FORUM ON ADB, INC.  
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**Derecognition of Financial Assets and Financial Liabilities**

*Financial assets*

A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Organization retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass through arrangement; or
- the Organization has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Financial Liabilities*

A financial liability is derecognition when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

*Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

*Impairment of Non-Financial Assets*

The Organization assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Organization makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements of income in those expense categories consistent with the function of the impaired asset.

NGO FORUM ON ADB, INC.  
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**Financial Instruments(Continued)**

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account, and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original effective interest rate of the asset. Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, past-due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Organization to reduce any differences between loss estimates and actual loss experience.

The Organization first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If it is determined that no objective evidence of impairment exists for an individual asset with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is on continues to be recognized are not included in a collective assessment or impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

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An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of income unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.

**2g. Provisions and Contingencies**

Provisions are recognized when the Organization has a present obligation, either legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. When the Organization expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities, if any, are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

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**2h. Due To (From)**

The Due to (From) account represents the net amount of payable-to over receivable- from other funds of the Balay.

The interfund receivable/payable accounts resulted from transactions among the various funds of the Organization. These accounts exist only in individual fund balances while these are non-account in the consolidated financial statements.

**2i. Fund Balances**

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Fund Accounting is an accounting concept widely used by non-profit organizations. Fund Accounting is defined as a system of recording resources whose use may be limited by donors, granting agencies, governing boards, management, or by law. To keep the books and records in a way that gave recognition to the restrictions set by the donors, some NPOs kept a series of separate funds for a variety of specific purposes. Each fund considered of a self-balancing set of assets, liabilities and net asset accounts.

Fund Accounting assumes that the Organization receives funds under various terms and conditions and may be grouped in various ways based on their intent and purpose and restrictions set by donors and management. It is an accountability or stewardship concept, used principally by NGOs that are legally responsible for seeing that certain funds or assets are used only for specified purposes.

Total fund balances comprise of Operational Fund and Property and Equipment Fund.

**Operational Fund**

This includes funds received from various funding agencies which are intended for various activities and projects.

**Property and Equipment Fund**

Property and Equipment Fund represents the transactions pertaining to property and equipment of the Organization. Acquisitions from projects were charged against the respective program/project item where the properties are intended to be used. A corollary entry was made to present the property and equipment as Asset and credited to Property and Equipment Fund. Depreciation was computed on a straight-line method over the estimated useful life of the properties and was charged against the Property and Equipment Fund. The Property and Equipment Fund represents the carrying value of the properties and equipment.

**2j. Revenue and Cost Recognition**

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Organization and the amount of revenue can be reliably measured. However,

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when an Organization and the amount of revenue can be reliably measured. However, when an uncertainty arises about the collectability of an amount already include in the revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognize as an expense, rather than as an adjustment of the amount of revenue originally recognized.

**Grants**

Grant received are recognized upon receipt. These are considered restricted project funds when specifically restricted by the respective donors.

**Donations**

These comprised cash donations and contributions that are intended for general purpose determined by management from time to time.

**Project Contributions**

These are contributions from other organizations in implementing development projects.

**Interest Income**

Interest income is recognized as the interest accrues.

**Other sources**

Other sources include incidental income.

**2k. Expenses**

Direct expenses were charged against the respective program/project/activity. Common/indirect expenses were charged based on the Organization's policy of cost allocation.

**2l. Employees' Compensation and Other Benefits**

**Short-term Benefits**

The Organization recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Organization to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits, if any.

**2m. Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating lease payment are recognized as expense in the statement of income on a straight-line basis over the lease term.

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**2n. Events After the End of the Reporting Period**  
Post-year-end events up to the date of the auditor's report that provide additional information about the Organization's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

**2o. Related Party Disclosures**

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Organization; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Organization that gives them significant influence over the Organization and close members of the family of any such individual.

The key management personnel of the Organization and post-employment benefits plans for the benefit of the Organization's employees, if any, are also considered to be related parties.

The Organization's related parties include the Organization's Key Management. The compensation of the key management personnel of the Organization pertains to the usual monthly salaries and government mandated bonuses; there are no other special benefits paid to management personnel.

**3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

**Judgments**

The preparation of the Organization's financial statements in conformity with Financial Reporting Framework in reference to the Philippine Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the Organization's financial statements and accompanying notes. The estimates and assumptions used in the Organization's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Organization's financial statements. Actual results could differ from such estimates; judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Determining Functional Currency**

Based in economic substance of underlying circumstances relevant to the Organization, the functional currency has been determined to be the Philippine Peso, which is the currency of the primary economic environment in which the Organization operates and is the currency that mainly influences the prices of the products and services and the cost of providing such products and services.

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Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. The entity shall account for the change in residual value, depreciation method or useful life as a change in an accounting estimate.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

Category	Number of Years
Office furniture and equipment	3 to 5
Motor Vehicle	8 to 10

**Fair Value of Property and Equipment**

The Property and Equipment is stated at revalued amount based on the fair value of the property. The valuation was made on the basis of the fair market value determined by referring to the character and utility of the property, and comparable property which has been sold recently in the locality where the property is located. Management believes that the basis of the fair value is reasonable.

**Financial Assets and Liabilities**

The Organization requires certain financial assets and liabilities to be at fair value, which requires use of extensive accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e. interest and vitality rates), the amount of changes in fair value would differ if the Organization utilized different valuation methodologies. Any changes in fair value of these financial assets and liabilities would affect directly the statements of income and equity, as appropriate.

**Impairment of Non-financial Assets**

The Organization assesses the value of the property and equipment which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Organization to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Organization to conclude that property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Organization's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Organization believes that its assumptions are appropriate and reasonable significant changes in these assumptions may materially affect the Organization's assessment of recoverable values and may lead to future additional impairment charges.

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**Revenue recognition**

The Organization's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Financial Risk Management Objectives and Policies**

The main purpose of the Organization's principal financial instruments is to fund its operational and capital expenditures. The Organization's risk management is coordinated and in close operation with the Board of Trustees, and focuses on actively securing the Organization's short to medium term cash flows.

The Organization's activities expose it to liquidity risk the Organization's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Organization. The policies for managing specific risks are summarized below.

**Management of Financial Risk**

*Governance Framework*  
The Organization has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risk. It also supports the effective implementation of policies.

The policies define the Organization's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specify reporting requirements.

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

*Regulatory Framework*  
The operations of the Organization are also subject to the regulatory requirements of SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions.

*Financial Risk*

The Organization is also exposed to financial risk through its financial assets and financial liabilities. The most important component of the financial risks is liquidity risk.

*Liquidity Risk*

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values, or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

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The Organization maintains cash to meet its liquidity requirements and the Organization maintains adequate highly liquid assets in the form of cash, and other receivables to assure necessary liquidity.

The Organization monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Organization maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows.

**Credit risk**

The Organization's credit risk is primarily attributable to its receivables. Credit risk is managed primarily through credit reviews and an analysis of receivables on continuous basis. There is no objective evidence yet to set provision for impairment.

Credit risk is the risk that one party to a financial instrument will fail to discharge and obligation and cause the other party to incur a financial loss.

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

**Market Risk**

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risks) and market interest rates (interest rate risk).

- a. Foreign Currency Risk arises from the change in the value of financial assets and liabilities particularly foreign currency cash and other foreign currency denominated financial assets and liabilities. To mitigate exposure to foreign currency risk, non-PHP cash inflows are also monitored regularly.
- b. Interest Rate Risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is not exposed to significant interest rate risk because it has no financial asset subject to such risk.

**5. TAXATION**

The Organization, as a non-stock, non-profit corporation, is exempt from income tax pursuant to Section 30 (G) of the National Internal Revenue Code of the Philippine. Such however, does not apply to income of whatever kind and character derived from the use of its properties real or personal, or any of its activities conducted for profit, regardless of dispositions made of such income.

**6. CASH AND CASH EQUIVALENTS**  
 This is accounted for as follows:

	TOTAL YEARS ENDED DECEMBER 31, 2018	2017
Cash on hand - peso	23,385.24	33,990.55
Cash in bank accounts	196,822.34	551,269.57
- US\$ accounts ( \$ 11,832.24 in 2018 and \$ 118,878.48 in 2017)	629,115.42	5,794,267.39
- Euro accounts ( EUR 4,836.69 in 2018 and EUR 16,552.99 in 2017)	291,705.01	1,107,758.35
<b>TOTAL</b>	<b>1,140,738.01</b>	<b>7,460,945.87</b>

**7. ACCOUNTS RECEIVABLE**

This consists the following:

	TOTAL YEAR ENDED DECEMBER 31, 2018	2017
Accounts/Staff advances	164,789.24	369,851.25
Other receivables	27,785.38	20,811.27
<b>TOTAL</b>	<b>192,474.62</b>	<b>386,442.83</b>

**8. PROPERTY AND EQUIPMENT**

These are accounted for as follow:

	TOTAL YEAR ENDED DECEMBER 31, 2018	2017
Equipment, furniture and fixtures cost	286,330.61	346,625.01
Balance at beginning of the year		(59,465.00)
Additional (deposals)	286,330.61	286,330.61
Accumulated depreciation		
Balance at beginning of year	245,100.19	335,379.52
Depreciation	23,199.67	23,199.67
Balance at end of year	268,299.86	(113,479.01)
Net book value, end of year	18,030.75	41,239.52

**9. ACCOUNTS PAYABLE**

This consists the following:

	TOTAL YEAR ENDED DECEMBER 31, 2018	2017
Staff	978,999.67	1,006,670.26
Unreleased checks/drawals	879,647.11	1,329,979.45
Other payables	1,345,430.46	106,252.28
<b>TOTAL</b>	<b>2,995,077.24</b>	<b>2,594,972.01</b>

**10. LEASE AGREEMENT**

In December 2018, the Organization entered its lease agreement in 85-A Masikap Street, Ederston Quizon City to Ms. Lorena A. Acordo for the office and premises it presently occupies. The lease agreement was for a term of one year from January 1, 2018 to December 31, 2018 renewable upon the mutual agreement of both parties.

**11. INFORMATION MANAGEMENT**

This consists the following:

	TOTAL YEAR ENDED DECEMBER 31, 2018	2017
Salaries and benefits	557,878.00	817,883.31
Website/hotspotting and other expenses	8,918.16	230,461.39
Other contracted services	564,995.18	164,632.28
<b>TOTAL</b>	<b>1,122,828.86</b>	<b>925,807.81</b>

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12. RESEARCH/POLICY ANALYSIS & PUBLICATION

This consists the following:

	TOTAL	
	2016	2017
General Fund	1,655,933.96	2,217,561.18
Restricted Fund	422,461.27	874,409.34
Salaries and benefits	512,467.62	2,198,097.69
Foreign travel and other expenses	876,886.39	974,409.34
Publications	673,076.00	971,071.92
<b>TOTAL</b>	<b>2,121,674.83</b>	<b>3,843,516.15</b>

13. ADVOCACY SUPPORT AND NETWORKING BUILDING

This consists the following:

	TOTAL	
	2016	2017
General Fund	97,875.00	5,031,445.60
Restricted Fund	4,933,570.50	3,984,453.19
Policy review	616,615.31	1,520,353.76
Forum annual meeting	282,775.00	722,433.07
NGO Council of ADRs annual meeting	386,017.01	1,862,417.30
Other contracted services	589,255.54	1,542,272.50
<b>TOTAL</b>	<b>835,330.00</b>	<b>7,678,863.36</b>

14. CAPABILITY BUILDING AND INTERNSHIP

This consists the following:

	TOTAL	
	2016	2017
General Fund	-	7,500.00
Restricted Fund	-	-
Skills/aware workshop	-	7,500.00

15. PERSONNEL

This consists the following:

	TOTAL	
	2016	2017
General Fund	1,267,786.26	1,435,563.90
Restricted Fund	420,445.72	1,134,644.00
Salaries and benefits	86,165.18	158,407.14
Legislated benefits	74,500.00	130,000.00
Other contracted services	62,052.90	106,977.20
Medical Benefits	44,884.30	127,425.75
<b>TOTAL</b>	<b>1,470,544.32</b>	<b>1,813,929.81</b>

16. ORGANIZATIONAL EXPENSES

This consists the following:

	TOTAL	
	2016	2017
General Fund	228,826.00	246,000.00
Restricted Fund	97,648.84	99,446.25
Office rent	2,500.00	79,084.76
Utilities	3,869.80	80,519.01
Audit fees/expenses	120.00	24,374.85
Local transportation	323.50	13,622.01
Postage & communication	9,852.00	7,777.25
Office and equipment supplies	2,850.00	683.17
Taxes, licenses and other expenses	-	283.00
Health insurance	1,139.80	475.00
Bank charges	13,386.00	46,859.00
Representation allowance	-	-
Reproduction of materials	-	-
Miscellaneous	31,733.93	668,693.55
<b>TOTAL</b>	<b>317,333.93</b>	<b>711,424.98</b>

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17. RESTRICTED FUNDS

The Organization is a custodian of funds for humanitarian projects consistent with its organizational objectives. These funds are specifically intended to finance designated projects and accordingly, are accounted for separately from its general fund. These are carried in restricted funds until such time that the project has been completed. The balances of these funds will revert to the grantor/donor or in certain instances, to the Organization's general or other similar purpose funds once the project is completed. The balances (deficiency) of these funds are accounted for as follows:

	2016	2017
G.S. Mart Foundation	-	2,441,150.28
Ozma Australia	-	(366,337.39)
Hain Rich Boi Foundation	657,827.31	-
Growled Family Fund/European Climate Fund	-	1,647,695.27
Both Ends	-	(62,900.44)
11-11-11 Coalition	254,595.61	88,380.27
<b>TOTAL</b>	<b>912,923.52</b>	<b>3,748,911.99</b>

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Organization for the year ended December 31, 2018 were approved by the board of trustees and authorized for issue on April 10, 2019.

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**Repairs and maintenance**

Repairs and maintenance incurred by the Organization have not resulted in an increase in the future economic benefit of its property and equipment, therefore charged to operations.

**Estimates**

In the application of the Organization's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Organization's financial statements.

**Evaluation of asset impairment**

The Organization assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Organization considers important which could trigger an impairment review include significant changes in asset usage, significant decline in assets' market value and obsolescence or physical damage of an asset. If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Organization is required to make estimates and assumptions that may affect property and equipment.

**Estimating useful lives of property and equipment**

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which an entity expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The entity shall account for the change as a change in an accounting estimate.

# INTERNATIONAL COMMITTEE



Sreedhar Ramamurthi  
India  
International Convener



Rene Ofreneo  
Philippines  
Treasurer



Titi Soentoro  
Indonesia



Eang Vuthy  
Cambodia



Pieter Jansen  
The Netherlands



Chinara Aitbaeva  
Kyrgyzstan



Hasan Mehedi  
Bangladesh



Yuki Tanabe  
Japan

# PARTNERS



## POST SCRIPT

It is another busy year for the Forum with new campaigns and major gains in our advocacy on ADB and the AIIB. Firstly, I want to thank each and everybody in the Forum family for all the hard work and professionalism you have demonstrated throughout the various activities we have accomplished together this 2018.

Once again, the Forum members proved their diversity and talent in contributing to the consultation on AIIB's Policy on Public Information (PPI) and Project-Affected Peoples' Mechanism (PPM).

Also, just like the previous years, we have made our presence felt during the ADB 51st Annual Governor's Meeting (AGM) in Manila, Philippines and the 3rd AIIB Annual Meeting in Mumbai, India.

Another outstanding activity that the Forum took part in is the People's Conference on Challenging Infrastructure Finance where we hosted – panels and had a gender workshop which was attended by over 20 organizations.

The Forum has also taken part in this year Asia Europe People's Forum in Ghent, Belgium where the network actively endorsed the Global Charter on Social Protection.

In addition, NGO Forum also attended the United Nations Framework Convention on Climate Change (UNFCCC) in Bangkok, Thailand and joined other organizations in putting pressure regarding the need to address climate change.

The Forum also hosted the Decarbonizing ADB And AIIB In Asia in Bali, Indonesia where the primary goal of the meeting was to ensure energy needs for all in line with meeting the Paris Agreement.

The year closed with the Paper presentation on Private Capital and FI's Energy Study Concept, a research conducted by Greenovation Hub supported by the Forum.

To this end, the NGO Forum on ADB has to remain vigilant on both project and policy fronts at both Banks. Our mandate to supporting the protection of the planet's ecosystems and fighting for the rights of the underprivileged remain strong, as we look forward to implementing our strategies, campaigns and ideas for a better and just world.



Mr. Rayyan Hassan  
Executive Director  
NGO Forum on ADB





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