

AIIB
STOP FUND
CLIMATE



ANNUAL REPORT

2022



ADB. PHASEOUT FOSSIL FUELS NOW!

ADB LEGACY: DIRTY ENERGY
& CLIMATE EMERGENCY

NGO Forum
on ADB

Holding ADB accountable since 1992

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 the 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 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 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

MESSAGE FROM THE INTERNATIONAL CONVENER

As the International Committee Convenor for the NGO Forum on ADB, I present to you the Annual Report for the year 2022, highlighting some of the crucial issues we have tackled together. Throughout the year, our dedicated network of members worked tirelessly to address various challenges that affect communities across the globe.

The ongoing Ukraine war has been a cause of concern, leading to devastating consequences for innocent civilians. We stand in solidarity with those affected and urge for a peaceful resolution to this conflict. Additionally, we have voiced our opposition to the expansion of NATO, as it exacerbates tensions and can potentially escalate regional conflicts.

The rising tensions in the South China Sea and the emergence of the QUAD alliance have been a significant concern for the region. We believe in the importance of dialogue, cooperation, and respect for international law to address these issues and promote stability in the region.

The year 2022 was marked by multiple crises that impacted vulnerable populations worldwide. We have relentlessly campaigned for solutions to the economic crisis, food & fuel crisis, advocating for fair and equitable policies that prioritize the needs of marginalized communities.

The expansion of policy loans by multilateral development banks (MDB) raised alarm bells, as it can lead to a debt trap for developing countries and undermine the community rights. We have been vocal in opposing this practice and calling for greater accountability and transparency in financial institutions.

The Forum has also actively campaigned against idle infrastructures and the imbalance of power within International financial institutions. We believe in the importance of promoting sustainable and inclusive development that prioritizes the well-being of people and the environment over profit.

Furthermore, the Energy Transition Mechanism has been a crucial point of discussion for us. We have worked to challenge false solutions that perpetuate environmental degradation and advocate for a just and sustainable transition to renewable energy sources.

Reflecting on the challenges faced in the past year, we commend the resilience and determination of our network members in making a positive impact. The Forum Strategic Paper 2030 lays out a clear roadmap for our collective efforts towards a more just, equitable, and sustainable world.

As we move forward, I extend my heartfelt wishes to all the network members for the coming years. Let us continue to stand united, amplifying our voices, and driving meaningful change to create a better future for all.

In solidarity,

Hasan Mehedi
International Committee Convenor
NGO Forum on ADB

INSIDE

Message from the International Convener	5
Asian Development Bank (ADB)	6
Asian Infrastructure Investment Bank (AIIB)	32
Forum Annual Meeting	44
Other Activities	50
Publications	58
Finance Report	61
Postscript	88
Tribute to our dear friend Sandra Smithey	89





+ +
+ +
+ +
+ +

1 ASIAN DEVELOPMENT BANK

PROJECT MONITORING

Ger Area Development Investment Program | MONGOLIA

The Ger Area Development Investment Program 47005 (consisting of 3 tranches) and the Affordable Housing Urban Renewal Project (49169-002) finance by the ADB, have faced widespread criticism for causing more harm than good.

One major concern was the projects' financing of coal-fired heating plants in Ulaanbaatar. The Ger Districts, where these plants were located, experienced the most dangerous levels of PM10 air pollution. Data collected over the past few years indicated consistently high pollution levels, with a notable increase in PM2.5 levels from 2018 to 2019.

Another issue was the ongoing problem of inadequate involuntary resettlement and economic displacement. Complaints were initially filed by households affected by involuntary resettlement and land acquisition for the Selbe and Bayankhoshuu sub-center development of GADIP in March 2018. Subsequently, more affected individuals joined the complaints in 2019 in the same areas. While an MoU (Memorandum of Understanding) was negotiated by the OSPF in July 2018, establishing principles and processes for resettlement and compensation, it appears that the project implementer

disregarded the MoU signed by all stakeholders, including the GADIP PMO/PIU. The fact that more people affected by land acquisition in the Dambadarjaa sub-center and those impacted by road construction work in the Selbe sub-center filed complaints in November 2020 suggests that safeguards and the MoU were not being applied in the remaining four sub-centers and the Housing and Resilient Urban Renewal Project (AHURP).

In response to these issues, OTWatch Mongolia and impacted communities filed a formal complaint with the ADB Accountability Mechanism (AM) through the



Ger area re-planning program. Photo retrieved from theubposts.com.

Special Project Facilitator for problem-solving in November 2020.

Furthermore, there was a lack of improvement in ADB's project management practices regarding information disclosure and consultation. The Project Implementation Unit (PIU) created a closed Facebook page exclusively for sharing

information about the Selbe sub-center. However, access to this page was limited to only 87 members. Considering that there were over 180 complainants affected by GADIP alone, this approach failed to ensure adequate information dissemination and consultation.

These concerns highlighted the need for

significant changes in the implementation and management of these projects. It was crucial for the ADB to address the environmental and social impacts, ensure meaningful stakeholder engagement, and uphold the commitments made through the MoU and safeguards provisions.



Pink line of the Bangalore metro rail. Photo retrieved from constructionweekonline.in

Bengaluru Metro Rail Project | INDIA

The Bangalore Metro Rail Corporation Limited (BMRCL) financed by the ADB was a Special Purpose Vehicle (SPV) established in September 1994 as a joint initiative between the Ministry of Housing and Urban Affairs of the Government of India (GOI) and the Ministry of

Transport of the Government of Karnataka (GOK). The BMRCL commenced the construction of the 42.3-kilometer Bangalore Metro Rail in April 2015 and subsequently planned for the second phase of expansion. The second phase consisted of six routes, namely:

1. Mysore Road Terminal to Kengeri
2. Baiyappanahalli to ITPL - Whitefield,
3. Hesaraghatta Cross to BIEC,
4. Puttenahalli Cross to Anjanapura Township (up to NICE Road),
5. Gottigere to Nagavara

(Line - 6), and
6. R.V. Road to Bommasandra (Line - 5).

To implement the Gottigere to Nagavara reach (Line - 6), which spanned approximately 23 kilometers, the BMRCL sought financial assistance from the European Investment Bank (EIB) and the Asian Infrastructure Investment Bank (AIIB). Subsequently, the EIB approved a multi-tranche loan of Euro 500 million, and the AIIB approved a loan of USD 335 million.

The project involved the acquisition of approximately 33 hectares of land from the BMRCL, 22.4 hectares held by private owners, and about 3.2 hectares held by various public entities. Additionally, around 27 common property assets, such as religious structures and local utilities, were affected by the proposed alignment. The Karnataka Industrial Areas Development Board (KIADB) was responsible for land acquisition as per the state law of Karnataka (KIADB Act 1966), as stated in the Compensation and Resettlement Package (CRP) 2019. Furthermore,

5.18 hectares (12.80 acres) of land were temporarily acquired for construction purposes. However, the Draft Bengaluru Transit-Oriented Development Policy (BTOD) 2019 was expected to have adverse effects on poor slum dwellers, hawkers, and small shopkeepers who were not covered under the compensation plan.

According to the Environmental Impact Assessment (EIA) Report from August 2017, a total of 838 households were affected, including 712 households linked to commercial units and 126 residential households. Additionally, there were 153 affected tenants, consisting of 136 commercial and 17 residential families. Based on the average household size in the city, it was estimated that approximately 3,890 individuals were affected by the project. Preliminary estimates by the BMRCL indicated that a total of 698 private structures were affected, with 642 being title holders and 56 being non-title holders. The estimated loss of livelihood under the project included business losses for owners (712), loss of rental

income for residential owners (17), loss of rental income for commercial owners (136), loss of business livelihood for commercial tenants (136), and commercial squatters (44).

The Environmental and Social Data Sheet of the project highlighted several environmental concerns, including:

1. The loss of approximately 1,312 trees for the construction of the metro rail alignment and depot area.
2. Increased local air pollution resulting from activities such as rock crushing, cutting and filling works, and emissions from asphalt processing.
3. Risks and vulnerabilities associated with occupational health and safety during project construction and operation, including physical, chemical, biological, and radiological hazards.
4. The need for dislocation or involuntary resettlement of people due to land acquisition for elevated and underground sections.



Micro-tunneling work at the Kolkata Environmental Improvement Investment Project. Photo retrieved from www.thehindu.com.

Kolkata Environmental Improvement Investment Project (KEIIP) | INDIA

The Kolkata Environmental Improvement Investment Project (KEIIP) financed by the ADB, aimed to enhance water supply and sanitation access in the area. However, the project resulted in the displacement of over 300 small shopkeepers due to the ongoing construction required for the sewerage and drainage line along Mahatma Gandhi Road.

Due to the COVID-19 pandemic, construction schedules were significantly delayed, preventing most shopkeepers from resuming their businesses. The few who managed to reopen after a year now faced the distressing prospect of once again having to dismantle their tea stalls and electric shops.

The affected shopkeepers living along the construction line were filled with anxiety as they awaited the commencement of work and feared eviction. Unfortunately, meaningful consultations and transparent information sharing regarding the construction plans were lacking, leaving the vendors completely unaware of what lay ahead. Moreover, the Entitlement Matrix, which outlined the compensation and benefits entitled to the affected persons (APs), was not properly explained or distributed as a leaflet.

It was essential that appropriate compensation and support be provided to these street vendors who had been forcibly displaced.

The responsibility for their plight lay with the ADB, as KEIIP fell under Category B in terms of its environmental and involuntary resettlement impact.

In order to address these issues and alleviate the hardship faced by the affected shopkeepers, it was crucial that the ADB took immediate action to ensure transparent communication, meaningful consultations, and timely compensation. Respecting the rights and livelihoods of those impacted by infrastructure projects was paramount to ensuring equitable development and mitigating the negative consequences of such initiatives.



Impacted communities of the Tanahu Hydropower Project in Nepal (Photo courtesy of Indigenous Women's Legal Awareness Group (INWOLAG))

Tanahu Hydropower Project | NEPAL

The Tanahu Hydropower Project underwent development by Tanahu Hydropower Limited, a company fully owned by the Nepal Electricity Authority. It entailed the construction of a 140-meter high concrete dam and a 25-kilometer-long reservoir on the Seti River. The project was funded by various sources, including the ADB, the EIB, and the Japan International Cooperation Agency (JICA).

Indigenous communities affected by the Tanahu Hydropower Project in Nepal expressed concerns regarding the adverse impacts of the project on their lands and livelihoods. They took action by filing complaints with the ADB and the European Investment Bank (EIB), seeking a separate mediation process to address

their grievances. Despite the project's intention to provide clean energy, its developers neglected to uphold free, prior, and informed consent (FPIC) and offered inadequate compensation for the losses incurred.

Communities residing in the vicinity of the project voiced their concerns about the negative consequences they faced. The project posed a threat to their lands, community forests, public structures, cremation sites, and overall community well-being. The failure to secure free, prior, and informed consent further exacerbated the grievances of the affected families and landowners.

To address the injustices and mitigate the negative impacts, the Directly Inundation Affected Peoples Collective

Rights Protection Committee, representing the affected families and landowners, presented several demands to the ADB and the EIB. These demands included:

1. "Land for land" and "house for house" compensation: Affected families sought fair compensation to ensure they were not left without adequate housing or land.
2. Re-survey of excluded lands: A request was made for a comprehensive re-survey to ensure that all affected lands were properly accounted for and compensated.
3. Free, prior, and informed consent: Communities demanded meaningful participation in the decision-making process of the project to safeguard their rights and interests.



Sri Lanka's first 100-MW wind park on the south coast of Mannar Island is seen as a game changer in its transition to clean energy. Photo retrieved from development.asia

Wind Power Generation Project | SRI LANKA

The NGO Forum on ADB and the Center for Environmental Justice (CEJ) alerted the ADB to the Wind Power Generation Project in Sri Lanka. The project aimed to improve access to clean and reliable power supply, emphasizing sustainable and inclusive economic growth, with a budget of US\$200 million.

The project involved the installation of thirty-nine wind turbines in Sri Lanka's Mannar District, Northern Province. Its main objectives included increasing wind power generation capacity, enhancing system reactive power management, and strengthening project engineering design review and supervision capabilities of the Ceylon Electricity Board (CEB).

The project was classified as Category A for environmental impact and Category B for involuntary resettlement.

Concerns were raised regarding two key issues:

- ▶ Cumulative impacts and bird migration: Experts argued that the Collision Risk Assessment conducted from June to March 2016 did not cover the period of bird migration return flight between March and April. Therefore, concerns were expressed about the accuracy of the report's findings regarding bird mass migration.
- ▶ Turbine shutdown during bird migration: It was proposed to implement emergency shutdowns of the turbines during bird migration as a precautionary measure. However, questions were raised about the economic viability of this approach due to potential power generation losses during the shutdown.

The NGOs recommended the following actions:

1. Conduct an independent evaluation specifically focusing on the cumulative impacts and potential negative effects on bird migration, considering future plans to increase capacity from 100 MW (current project) to 300 MW (including an additional 200 MW). This evaluation aimed to address concerns related to the project's location.
2. The ADB should conduct a further study to assess the cost-effectiveness of the turbine shutdown option, taking into account the potential costs associated with biodiversity loss. This study would help determine the viability of this measure if the project proceeded as planned.



ADB ANNUAL MEETING

In 2022, the ADB Annual Meeting was conducted in a hybrid format with the theme “Positioning Climate Resilient Green Economy for the Post COVID-19 World.” The network had two panel sessions during the 55th ADB Annual Meeting.

Civil Society Perspectives on Just Transition and ADB’s New Energy Policy

The ADB implemented its 2021 Energy Policy to ensure universal access to reliable and affordable energy services while facilitating a low-carbon transition in Asia and the Pacific. The policy formalized ADB’s commitment to divest from coal-fired power and supported the phased elimination of coal in the region. It also emphasized the importance of a “just transition” that promoted sustainable and inclusive livelihoods in affected communities.

Civil society representatives organized by the NGO Forum on ADB expressed the need for ADB to make a crucial decision regarding its role in the global energy transformation. They urged ADB to align its energy policy with the Paris Agreement by providing financial and

technical assistance to member countries in their efforts to limit global temperature rise to 1.5°C. At the project level, there were calls for ADB to prioritize human rights, access to information, and effective grievance and redress mechanisms. Concerns were raised about the potential risks associated with ADB’s Energy Transition Mechanism, including the prolongation of the lifespan of coal power projects beyond national benchmarks.

ADB representatives clarified that the 2021 Energy Policy clearly outlined the bank’s withdrawal from coal financing. They emphasized ADB’s alignment with the Paris Climate Agreement through the support of climate action plans and the completion of the alignment process by 2025. The policy was guided by five key principles: providing affordable and sustainable energy for poverty eradication, addressing climate change and enhancing environmental sustainability, promoting good governance in the energy sector, fostering regional energy cooperation, and delivering integrated solutions through finance, knowledge, partnerships, and country-focused approaches.



The panelists included:

- ▶ - Manana Kochladze, CEE Bankwatch
- ▶ - Hasan Mehedi, CLEAN (Coastal Livelihood and Environmental Action Network)
- ▶ - Tanya Lee Roberts-Davis, NGO Forum on ADB
- ▶ - Isabel Patricia Soresca, Center for Energy, Ecology, and Development - Philippines
- ▶ - Priyantha Wijayatunga, Chief of Energy Sector Group, ADB
- ▶ Moderated by Vidya Dinker, Growthwatch/ Indian Social Action Forum

A Decade of Safeguards: Lessons from the Ground

The ADB underwent a comprehensive review and update of its 2009 Safeguard Policy Statement, with the aim of strengthening the policy and its implementation to protect people and the environment in projects financed by the bank. The review process involved consultations with various stakeholders, including member country governments, civil society organizations, and project-affected individuals.

In the session, Bruce Dunn highlighted the objective of the Safeguard Policy

Review, which aimed to enhance the policy’s effectiveness and address its gaps. The review was guided by the ADB Independent Evaluation Department’s 2020 assessment of the Safeguard Policy Statement’s effectiveness, which received full endorsement from ADB Management. The policy update included analytical studies, consultations with member countries, private sector clients, and civil society, as well as engagement with affected people from previous projects.

During the consultations, civil society panelists raised concerns about gaps in the existing policy and urged the inclusion of safeguard measures for climate impacts, climate-induced migration, projects in disputed lands, and cultural impacts. They also emphasized the need for clarity on labor safeguards, including occupational and community health and safety. Civil society organizations raised additional issues, including specific concerns about the Tanahu Hydropower Project in Nepal, improving awareness of ADB’s Safeguard Policies at the community level, and enhancing the implementation of safeguard policies in co-financed projects.



The panelists included:

- ▶ Vidya Dinker, Growthwatch/Indian Social Action Forum
- ▶ Bruce Dunn, Director, Safeguards Division, Sustainable Development and Climate Change Department, ADB
- ▶ Rene Ofreneo, Freedom from Debt Coalition
- ▶ Annabel Perreras, NGO Forum on ADB
- ▶ Ritu Thapa, Indigenous Women’s Legal Awareness Group Nepal (INWOLAG)
- ▶ Hemantha Withanage, Center for Environmental Justice
- ▶ Moderated by Rayyan Hassan, NGO Forum on ADB

Meeting between Civil Society Organizations and ADB Senior Management

ADB President Masatsugu Asakawa conducted a session with over 500 participants, including representatives from civil society organizations (CSOs), where he acknowledged the 20th anniversary of the NGOC as ADB’s main point of engagement with CSOs. President Asakawa highlighted three key areas that required CSO insights: addressing climate change, responding to the food security crisis, and the ongoing Safeguard Policy Review.

In response to survey questions, President Asakawa discussed ADB’s support for transitioning away from fossil fuels through its new Energy Policy and emphasized the relevance of the 1998 Policy on Gender and Development. He assured that ADB would continue to address gender issues through integrated solutions. Regarding climate change, President Asakawa stated that it was a priority in ADB’s Strategy 2030, with a commitment to investing \$100 billion by 2030 in resilience and adaptation. The President also mentioned the consideration of labor and working conditions in the safeguards policy update to align with international standards.

Regarding Sri Lanka’s debt crisis, President Asakawa recognized the need to address debt sustainability, not only in Sri Lanka but also in other countries. He explained that ADB offers concessional financing to support low-income countries through grants and favorable loans, alleviating fiscal burdens and providing assistance for food security and vulnerable populations.

Regarding the Tanahu Hydropower Project in Nepal, President Asakawa assured that action would be taken once the ADB Office of Special Project Facilitator finalizes the dispute resolution framework agreement.

President Asakawa concluded by highlighting human dignity, integration, and equal opportunities as core values in ADB’s development agenda.

- ▶ Environmental Justice
- ▶ Lavetanalagi Seru, Pacific Islands Climate Action Network
- ▶ Francis Kim Uppi, International Trade Union Confederation - Asia Pacific

The panelists included:

- ▶ Ritu Thapa, Indigenous Women’s Legal Awareness Group Nepal (INWOLAG)
 - ▶ Hemantha Withanage, Center for Environmental Justice
- The panel discussion was moderated by Haidy Ear-Dupuy, Unit Head, NGO and Civil Society Center, ADB.



Activities Outside the ADB Headquarters

A coalition of organizations, including the Forum network, Asian Peoples' Movement on Debt and Development, Oriang, Sanlakas, Philippine Movement for Climate Justice, Kongreso ng Pagkakaisa ng Maralita ng Lungsod, Samahan ng Mamamayan Zone One Tondo Inc. - Sm Zoto Inc., and Global Alliance for Incinerator Alternatives (GAIA), joined forces in front of the ADB headquarters. Their objective was to raise awareness about the pressing need to address the climate

crisis and bring an end to false solutions and detrimental fossil fuel financing.

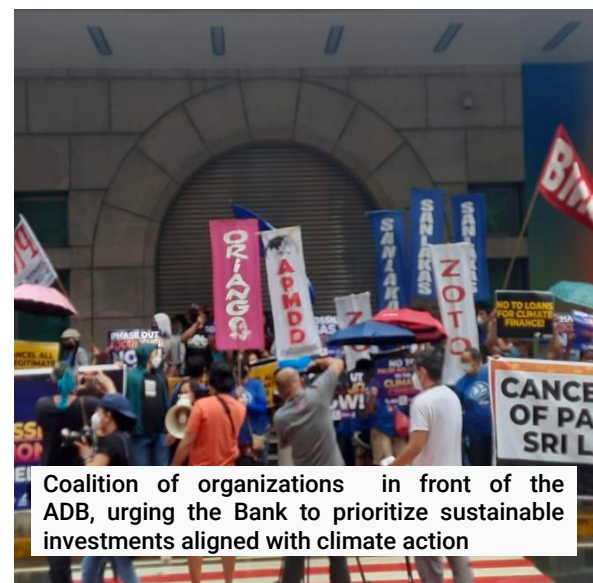
During the rally, the protesters directed their message to ADB President Masatsugu Asakawa, seeking to convey the gravity of the situation. They symbolically handed over the memo to a mockup image of President Asakawa, signifying their expectations for meaningful action and change. The protesters aimed to highlight the concerns and voices of the Asian peoples, urging the ADB to prioritize sustainable and environmentally friendly investments that aligned with the urgent need for climate action.



Forum network and allies take to the streets their call, demanding strong ADB safeguards and real solutions to the climate crisis



Atty. Aaron Pedrosa, Forum Corporate Secretary gave ADB-NGOC's Haidy Ear Dupuy the statement of the network during the 55th Annual Meeting



Coalition of organizations in front of the ADB, urging the Bank to prioritize sustainable investments aligned with climate action

SAFEGUARDS CAMPAIGN

The Forum network actively participated in the ADB Safeguard Policy Review, attending consultations and scheduling lobby meetings with the management to advocate for a robust, rights-based, and just safeguards policy.

NGO Forum issued a 'Joint civil society statement for a robust, rights-based, and just safeguards policy at the ADB,' urging the ADB to improve its current policy to address the adverse impacts of the Covid-19 pandemic, climate crisis, and inequality. The organizations emphasized accountability, respect for international frameworks, and community involvement in decision-making processes. They proposed maintaining risk categorization assessments, implementing front-loaded requirements for project approval, incorporating transparency clauses, strengthening requirements for both sovereign and non-sovereign lending, and providing improved guidance for involuntary resettlement safeguards. They also stressed the inclusion of various themes such as labor, gender, climate change, and cultural heritage, as well as the introduction of a climate safeguard and divestment from high-carbon development projects. Lastly, they advocated for better protection of cultural heritage and the integration of international laws and standards into the safeguard system.

Additionally, the Forum had a meeting with US Treasury Rachel Bayley, aiming to discuss the observed failures in the current policy and leverage the experiences of those involved with projects on the ground.

The meeting provided a valuable opportunity for the Forum and its members to engage in a meaningful dialogue about the implementation failures of the existing safeguards policy. As stakeholders dedicated to promoting social and environmental justice, the Forum recognizes the importance of addressing these concerns to enhance the

effectiveness and impact of development projects.

Safeguards Policy Consultation

The ADB Safeguards Policy Consultation was in Phase 2, which aimed to incorporate the findings of various analytical studies regarding key topics related to safeguard policies. The consultation sought to gather feedback from stakeholders by sharing study reports on the ADB webpage and presenting key findings during consultations. This report provides an overview of the consultation process and highlights the participation of the Forum network in policy reviews, stakeholder consultations, and engagements with ADB offices and board offices.

The objectives of Phase 2 were as follows:

1. Utilize the findings of analytical studies: The consultation process drew on the insights and recommendations derived from analytical studies conducted on important topics such as safeguard policy architecture, safeguard classification, the use of country safeguard systems, and cross-cutting thematic issues.
2. Share study reports: The study reports were made available on the ADB webpage to provide transparency and accessibility to stakeholders. These reports served as a basis for discussions and feedback during the consultation process.
3. Seek feedback from stakeholders: The consultations enabled stakeholders to provide their inputs, suggestions, and concerns regarding the ADB Safeguards Policy. The feedback received helped the ADB in improving its policies and practices.

The Forum network actively participated in the policy review consultations, which covered a wide range of areas. The following topics were addressed during the consultation:

1. Safeguards in Different Financing Modalities
2. Safeguards in Private Sector Operations
3. Gender and Safeguards
4. Climate Change
5. Country Safeguard Systems
6. Safeguards in Fragile and Conflict-Affected Situations and Small Island Developing States (FCAS/SIDS)
7. Environmental and Social Impacts and Risk Assessment
8. Lessons from Accountability Mechanisms
9. Stakeholder Engagement, Information Disclosure, and Grievance Redress Mechanisms
10. Cultural Heritage
11. Land Acquisition, Land Use Restriction, and Involuntary Resettlement
12. Labor and Working Conditions

The Forum network actively contributed to discussions and provided valuable insights on these topics, highlighting their expertise and representing the interests of their respective stakeholders.

► In-Country Stakeholder Consultations

The Forum network also participated in in-country stakeholder consultations, focusing on specific regions. The consultations were conducted in Central and West Asia, South Asia, and Southeast Asia. These regional consultations aimed to gather inputs from local stakeholders and consider their unique perspectives and concerns regarding the ADB Safeguards Policy.

► Consultations with Project Affected People (PAPs)

Furthermore, the Forum network engaged in consultations with project affected people (PAPs) from selected projects. The following projects were specifically addressed:

1. Armenia: Sustainable Urban Development Investment Program - Tranche 1 and 2
2. Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1
3. Philippines: Malolos-Clark Railway Project

These consultations allowed project affected people to voice their concerns, provide feedback, and share their experiences related to the projects and the safeguard policies.

■ Talent Earth

The pilot episode of Talent Earth was aired via the NGO Forum on ADB's Facebook page. The web show aimed to support the 1 Million Signatures for a Robust, Rights-Based, and Just Safeguards Policy. The campaign believed that the current safeguards system needed improvement to address the changing understanding of development and evolving financing practices. The policy should have prioritized transparency, risk assessment, and accountability while protecting the rights and livelihoods of affected communities, including vulnerable groups. It should have also considered the project's impact on climate change, expanded resettlement safeguards, and upheld international laws and agreements.

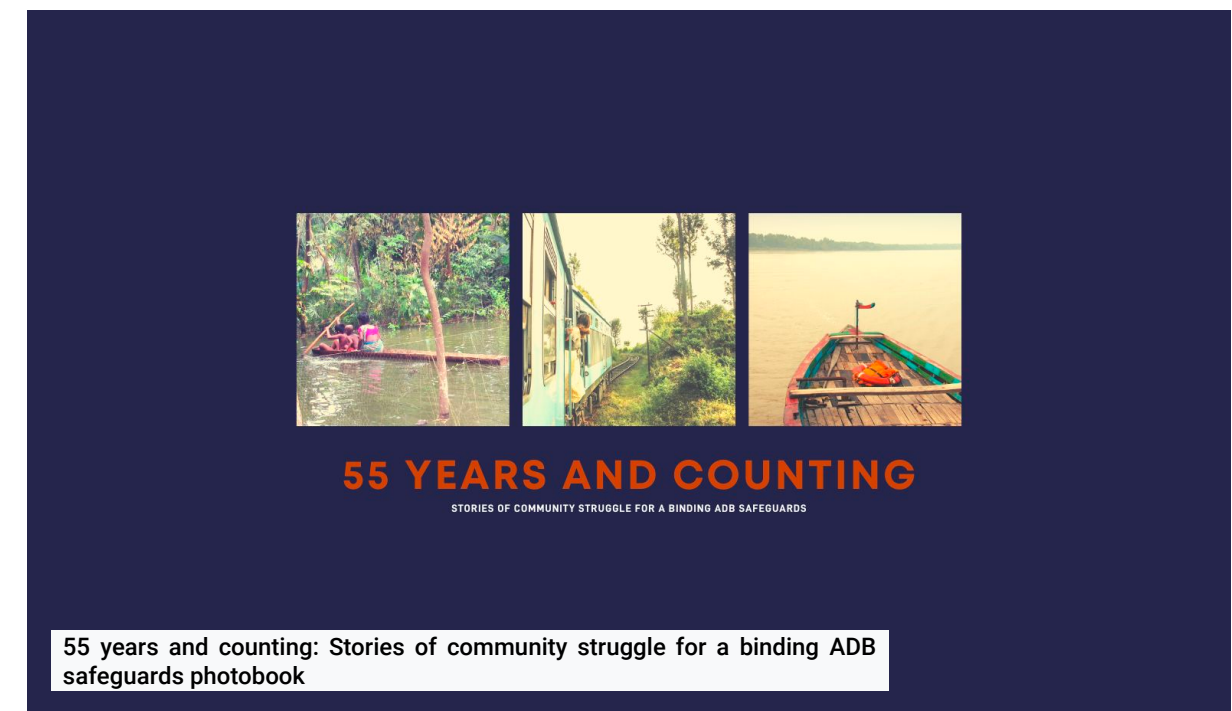
■ 55 years and counting: Stories of Community Struggle for a Binding ADB Safeguards

The Forum produced the "**55 years and counting: Stories of community struggle for a binding ADB safeguards**" photobook, which serves as a testament to the endurance and resistance of communities in the Asia-Pacific region. These communities persistently challenged the power structures and rights violations perpetuated by multilateral development banks and their safeguard policies. The objective of documenting these struggles was to humanize the experiences and move beyond generalizations that often marginalized communities in the Global South. Through real stories and impactful photographs, the book portrayed the anger, despair, and unpredictable nature of resettlement, the detrimental effects on livelihoods, and the eroding human rights and environmental standards.

The emergence of Safeguards Policies by Multilateral Development Banks (MDBs) was a response to community resistance against the negative impacts of development projects on communities, livelihoods, and the environment. The World Bank's adoption of Safeguards Policies in the 1980s marked a significant shift. Subsequently, other MDBs, including the ADB, followed suit by adopting and implementing these policies throughout the project cycle.

In 2009, the ADB consolidated three different policies into one comprehensive policy.

However, despite these efforts, the social and environmental disruptions caused by development projects have continued and even escalated. This photobook visually captured the consequences of rapid urbanization and development trends on people's lives. It focused on documenting violations and sub-standard practices that occurred since 2003, surpassing the Safeguards Policy Statement (SPS) of 2009. By highlighting violations both past and present, the photobook exposed the disconnect between the ADB Policy and the realities faced by communities on the ground.



■ Safeguards Day of Action

► Bangladesh

Our friends from Cox's Bazar recently organized a powerful protest flotilla to raise their voices against the ADB. This community demanded that the bank adopt a robust, rights-based, and just safeguards policy.

The protest flotilla served as a symbolic demonstration of the community's concerns and aspirations. It highlighted their urgent call for the ADB to prioritize the protection of human rights, the environment, and the

well-being of affected communities in their project operations.

The people of Cox's Bazar recognized the crucial role that the ADB played in shaping development projects in their region. They believed that a strong safeguards policy was essential to ensure that these projects adhered to the highest standards of accountability, transparency, and inclusivity.

In Barishal, Bangladesh, a group of concerned individuals and communities recently organized a protest against the ADB. Their demonstration aimed to raise

awareness and express their grievances regarding the devastating consequences of the Bank's projects on their livelihoods, land, and the environment. These local residents, who had directly experienced the detrimental effects of ADB-funded initiatives, came together to demand a more accountable and responsible approach from the Bank.



Safeguards has died. Coalition of concerned individuals and communities mobilize impactful protest against the ADB



Allies from Cox's Bazar organize an impactful protest flotilla, raising their voices against the ADB

► **Philippines**

During COP27 in Sharm El-Sheikh, Egypt, our allies presented the '55 Years and Counting: Stories of Community Struggle for Binding ADB Safeguards' Photo Book. This book exposes the ADB historical failures in implementing effective safeguards for its projects. It aims to raise public awareness, spark meaningful

reforms, and hold the ADB accountable for its shortcomings. By sharing real stories and compelling images, the book highlights the gap between the ADB's commitments and the experiences of affected communities. Its goal is to inspire positive change and promote social and environmental justice in the development finance sector.



Forum members present '55 Years and Counting: Stories of Community Struggle for Binding ADB Safeguards' photo book to select Bank personnel during COP27 in Sharm El-Sheikh, Egypt

ENERGY AND JUST TRANSITION CAMPAIGN

Asia Clean Energy Forum (ACEF)

During the Asia Clean Energy Forum (ACEF) 2022, concerns were raised about the lack of representation for local communities affected by green energy projects. The Asian Development Bank's (ADB) current Energy Policy still allowed financing for carbon-intensive projects. Private sector proponents promoted resource-intensive technologies, which benefited fossil fuel companies. The report called for a shift towards direct renewable energy sources. The ADB's Energy Transition Mechanism lacked transparency and failed to consider community perspectives. Civil society groups urged the ADB to move away from financing false climate solutions and prioritize a just transition.

The Power for People Coalition (P4P), Global Alliance for Incinerator Alternatives (GAIA) Asia Pacific, and NGO Forum on ADB Network organized a peaceful protest against the ADB during the week of ACEF. They urged the ADB management and Board to deliberately shift away from financing false climate and energy solutions.

The statement 'Beyond ACEF 2022: Challenging the ADB to Stop Financing False Climate and Energy Solutions' was also sent to the Bank. The statement included the following points:

- ▶ ACEF lacked representation and consideration of people's organizations' perspectives.
- ▶ The ADB's Energy Policy enabled financing for carbon-intensive infrastructure, raising concerns among civil society groups.
- ▶ ADB's technical assistance undermined

sustainable practices and international commitments.

- ▶ Private sector promotion at ACEF focused on resource-intensive technologies, prolonging reliance on fossil fuels.
- ▶ The IPCC emphasized limited use of carbon capture technologies and direct reliance on renewable energy.
- ▶ The ADB should phase out climate-misaligned investments and commit to a clean energy transition.
- ▶ Indigenous Peoples' perspectives were absent from ACEF, and free, prior, and informed consent was not adequately considered.
- ▶ The ADB's Energy Transition Mechanism lacked transparency and could burden local communities.
- ▶ The ETM risked overshooting climate targets and hindering alignment with the Paris Agreement.
- ▶ Civil society urged the ADB to move away from false climate solutions and prioritize a just and sustainable transition.

CSOs from across the Asian Region urge the ADB to Stop Financing False Climate & Energy Press Conference

During the opening plenary of last year's ACEF, the President of the ADB emphasized the need for an overhaul of the region's energy sector. However, civil society organizations questioned whether these shifts would be centered on rights, inclusivity, open dialogue, and public accountability, as well as whether they would align with the IPCC's recommended pathway to limit global warming to 1.5°C. In a call for action, civil society invited all stakeholders to join a press conference to discuss the urgent need for the ADB to cease financing false climate and energy solutions

that undermined inclusive and sustainable community-centered just transitions.

4. Andrey Ralev: Biodiversity Campaigner, CEE Bankwatch

The panelists for the press conference consisted of prominent voices from civil society organizations actively engaged in energy policy and advocating for sustainable solutions:

1. Tanya Roberts-Davis: Energy Policy and Campaigns Strategist, NGO Forum on ADB
2. Yobel Putra: Global Alliance for Incinerator Alternatives-Asia Pacific
3. Atty. Avril P. De Torres: Deputy Executive Director, Center for Energy, Ecology, and Development

The press conference highlighted the critical need for the ADB to reassess its financing decisions and ensure they aligned with principles of justice, inclusivity, and sustainability. Civil society organizations contended that false climate and energy solutions perpetuated harmful practices and hindered progress toward community-centered just transitions. By engaging in open dialogue and fostering public accountability, civil society sought to drive the paradigm shift necessary for a more equitable and sustainable energy future.



Ann Perreras from NGO Forum engages with the Philippine press, shedding light on the group's resolute call to the ADB for no false climate solutions



A solar panel installation in front of ADB HQ showcases the possibility of a just and renewable energy solution

Energy Transition Mechanism (ETM)

The Forum conducted a webinar titled ‘Understanding the ADB’s Energy Transition Mechanism (ETM): Global Perspectives’, which shared critical perspectives and updates on the ETM in preparation for the G20/COP27.

Considering the progress of the ETM, including co-financing from ADB and the World Bank Group in Indonesia and the upcoming announcement of the retirement of coal plants such as Suralaya 1 and 2 units, this webinar provided a platform for civil society groups to discuss their research and on-the-ground

documentation, sharing key considerations and concerns.

Universal Owner Initiatives (UK) presented findings from a report that scrutinized the ETM’s climate, energy, and social claims. Civil society groups representing labor, women’s rights, and community rights sectors, who have been engaged in discussions with the ADB regarding the ETM, offered their perspectives based on their ongoing work and advocacy for energy transitions that prioritize rights, dignity, and justice.

The webinar took place last November 4, 2022.

Rethinking Asia’s Energy Transition: Alternative Strategies from the Grassroots

The Forum made a valuable contribution to the 2022 Fair Finance Asia (FFA) General Assembly by participating in a panel

discussion titled “Rethinking Asia’s Energy Transition: Alternative strategies from the grassroots.” Energy Policy and Campaigns Strategist, Tanya Lee Roberts Davis, shared insightful perspectives on Asia’s ongoing efforts towards a just energy transition.



NGO Forum on ADB Energy Policy and Campaigns Strategist, Tanya Lee Roberts Davis at the 2022 Fair Finance Asia (FFA) General Assembly

ADB GAS TRACKER

In an era characterized by evolving dynamics in monitoring development finance, the NGO Forum on ADB emerged as a leading force in policy advocacy, campaigns, and amplifying community grievances towards the Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB). With a steadfast commitment to safeguarding the environment, protecting communities, and upholding social rights, the Forum has been at the forefront of influencing safeguards implementation and advocating for a stronger framework to prevent irreversible harm.

To effectively advocate for change and provide relevant analysis, access to timely and accurate information was paramount. Recognizing this critical aspect of their work, the NGO Forum on ADB developed the ADB Gas Tracker—a vital tool that equipped stakeholders with essential data and CSO analysis.

The ADB Gas Tracker was a comprehensive resource that offered valuable insights

into the ADB’s lending portfolio and project activities. By utilizing the tracker, stakeholders gained access to a wealth of information, including:

1. Trends in the Lending Portfolio: The tracker provided an overview of the ADB’s lending trends, enabling users to identify patterns and shifts in the bank’s financing priorities. This information empowered stakeholders to better understand the ADB’s focus areas and strategic directions.
2. Geographical Scope of Projects: Understanding the geographical distribution of ADB projects was crucial for targeted advocacy efforts. The tracker presented a breakdown of project locations, allowing stakeholders to concentrate their efforts where they were most needed.
3. Sectoral Insights: The ADB was involved in diverse sectors, ranging from energy to transport and water. The gas tracker offered valuable information on the sectors in which the ADB operated,

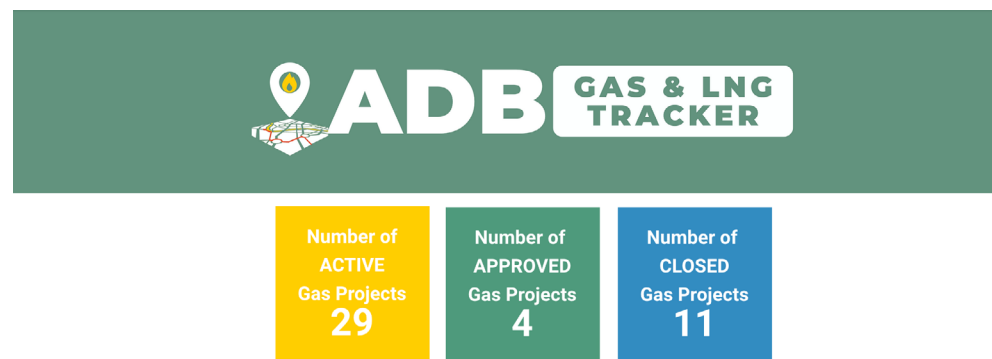
enabling stakeholders to track trends, identify areas of concern, and tailor their advocacy accordingly.

4. **Safeguards Categorization:** Safeguarding the environment and protecting communities was a core pillar of the NGO Forum's work. The gas tracker classified projects according to their safeguards categorization, providing insights into the ADB's adherence to environmental and social safeguards policies.
5. **Modality of Assistance:** The tracker shed light on the modality of financial assistance provided by the ADB. Stakeholders could gain a comprehensive understanding of the ADB's financing mechanisms, including loans, grants, technical assistance, and co-financing arrangements.
6. **Funding Amounts:** Tracking the funding amounts associated with ADB projects was crucial for understanding the scale and impact of their interventions. The gas tracker provided information on the financial resources allocated to specific projects, offering valuable insights into the ADB's investment priorities.

► **Utilizing the ADB Gas Tracker**

The ADB Gas Tracker was a versatile tool that could be utilized in various contexts:

1. **Policy Advocacy:** The tracker empowered stakeholders to craft informed policy briefs, engage in ongoing policy reviews, and participate in meetings with the ADB's Board of Directors and Bank Management. It enabled evidence-based advocacy, helping stakeholders effectively communicate their concerns and recommendations.
2. **Community Outreach and Project Monitoring:** By leveraging the tracker, stakeholders could intensify community outreach efforts and enhance project monitoring activities. The tracker equipped them with the necessary information to engage with affected communities, monitor project impacts, and ensure accountability.
3. **Increasing Public Awareness:** The interactive dashboards and user-friendly interface of the tracker provided an opportunity to raise public awareness about critical issues. By sharing insights and data from the tracker, stakeholders could effectively communicate the challenges faced by communities and mobilize support for their causes.



What is the NGO Forum on ADB Gas Tracker?
 As a response to the changing dynamics of monitoring development finance, the NGO Forum on ADB has been actively engaging in policy reviews, several campaigns (i.e. safeguards, energy, social protection, gender), and elevating grievances of communities to ADB and AIIB. Forum has consistently lobbied to the Board of Directors and Bank Management to influence safeguards delivery and develop a better safeguards framework to avoid irreparable damage to the environment, the communities, and their livelihoods. Through these, the Forum has continuously championed the rights of local communities – against any attempts by multilateral development banks to erode environmental rights and social protection.

One critical aspect of policy advocacy and campaigning is to ensure that the Forum has timely, accurate information and relevant CSO analysis. It is in this context that the Forum created the ADB gas tracker.

What information can you get in the Forum Gas Tracker?
 The tracker can give you information about the ADBs -

1. Trends in the lending portfolio
2. The geographical scope of projects
3. Sectors such as energy, transport, and water
4. Safeguards categorization
5. Modality of Assistance
6. Funding amount

Where can I use the ADB Gas Tracker?
 You can use the tracker for –

1. For policy advocacy e.g. policy briefs, support in the ongoing policy reviews, meetings with the Board of Directors and Bank Management, etc.
2. For community outreach and intensifying project monitoring
3. To increase public awareness of issues raised by using the interactive dashboards

BANK ENGAGEMENTS

Engagements with ADB Offices and Board Offices

NGO Forum on Guidance Notes on Natural Gas and Waste to Energy)

The Forum network actively engaged in meaningful interactions with various offices within the ADB, which played a crucial role in fostering a comprehensive understanding of different aspects of the ADB Safeguards Policy. These engagements provided valuable opportunities for the Forum network to exchange ideas, provide inputs, and gain insights from the expertise and knowledge of ADB offices. The offices involved in the consultations and their specific contributions were as follows:

► **Office of the Compliance Review Panel**

The Forum network actively engaged with the Office of the Compliance Review Panel (OCRP) regarding the Tanahu Hydropower Project, which had a significant impact on project-affected communities.

During these consultations, the Forum network represented the voices and concerns of the affected communities, providing invaluable insights and feedback related to compliance issues and the safeguarding measures implemented for the project. Their contributions helped ensure that the ADB Safeguards Policy addressed the specific needs and concerns of the project-affected communities impacted by the Tanahu Hydropower Project.

Through their interactions with the OCRP, the Forum network highlighted the importance of effective stakeholder engagement, information disclosure, and grievance redress mechanisms for the affected communities. They emphasized the need for transparent and inclusive processes, ensuring that the concerns and rights of the affected communities were adequately addressed throughout the project lifecycle.

ADB Energy Sector Office (Presentation to

Engagements with the ADB Energy Sector Office focused particularly on the Bank's presentation of the guidance notes on natural gas and waste to energy.

The Forum network engaged meaningfully in these presentations, offering insights and recommendations to ensure that the ADB's energy sector operations aligned with the principles of environmental sustainability and social safeguards. These interactions facilitated a better understanding of the potential environmental and social impacts associated with energy projects and contributed to the development of guidelines to mitigate these risks.

► **Sustainable Development and Climate Change Department (SDCC)**

The Forum network engaged in constructive discussions with the Sustainable Development and Climate Change Department (SDCC).

These engagements revolved around the continuous exploration of the nexus between sustainable development, climate change, and the ADB Safeguards Policy, as well as the Environmental and Social Safeguard and Extractive Industries Transparency Initiative (EITI). The Forum network provided valuable inputs on incorporating climate change considerations into the policy framework, aligning safeguard measures with international climate goals, and promoting sustainable development practices. These discussions contributed to enhancing the ADB's commitment to environmental protection and climate resilience.

By actively engaging with these key ADB offices, the Forum network leveraged their expertise and contributed to shaping the ADB Safeguards Policy. The insights shared by the

Forum network in these engagements helped ensure that the policy framework addressed emerging challenges and reflected best practices in safeguarding environmental and social interests.

Additionally, the Forum network had discussions with several board offices, which further enriched the consultation process. The board offices that were involved in the consultations were as follows:

► **Independent Evaluation Department (IED)**

The Forum network, as in previous years, maintained an active and meaningful engagement with the Independent Evaluation Department (IED) of the ADB. These discussions provided a crucial independent and objective perspective on the effectiveness of the ADB Safeguards Policy.

During these engagements, the Forum network had the opportunity to share their valuable insights, observations, and experiences regarding the ADB Safeguards Policy. The inputs were particularly significant in evaluating the policy's impact, identifying areas for improvement, and ensuring the safeguarding of the interests of affected communities.

Furthermore, the Forum network played a vital role in following up on projects on behalf of the impacted communities. They closely monitored project implementation and evaluated the effectiveness of safeguard measures, acting as a bridge between the affected communities and the ADB. Their efforts ensured that the concerns and needs of the communities were adequately addressed.

In addition to the regular engagements, every year on the sidelines of the ADB's Annual General Meeting, the IED organized an annual dialogue with civil society organizations (CSOs), including the Forum network. This dialogue served as a platform for open and constructive discussions between the IED

and CSOs.

The interaction provided an opportunity for the Forum network and other CSOs to engage with the IED, share their perspectives, and actively participate in discussions related to the ADB's evaluation processes and the relevance of past and ongoing evaluations.

IED recognized the pivotal role of civil society as important stakeholders and partners in development. The department highly valued this engagement and acknowledged the productive and well-attended sessions that took place in the past. These sessions served as a platform to share IED's mandate, discuss relevant evaluations, and foster a collaborative approach towards continuous improvement in ADB operations.

The active participation of the Forum network in these interactions demonstrated their commitment to transparent and accountable development practices. Through their engagement with the IED, the Forum network continued to contribute to the enhancement of the ADB Safeguards Policy and the overall effectiveness of the ADB's projects and programs.

► **Office of Executive Director Roger Fischer and Alternate Executive Director (AED) Philip Rose - Austria / Germany / Luxembourg / Türkiye / United Kingdom**

The Forum network actively engaged with the office of ED Roger Fischer and AED Philip Rose (Austria / Germany / Luxembourg / Türkiye / United Kingdom) in discussions on safeguard policy architecture and classification. They provided valuable inputs based on their regional and thematic expertise. Additionally, the network ensured that the policy framework considered the specific needs and contexts of the represented countries.

The discussions primarily focused on the ongoing review of the ADB Safeguards Policy. The Forum network offered insights and recommendations, leveraging their in-depth understanding of regional and thematic considerations. Their goal was to play a

crucial role in shaping the policy framework, addressing the unique needs and concerns of the represented countries. The inputs provided by the Forum network enhanced the effectiveness and relevance of the ADB Safeguards Policy by reflecting their regional and thematic expertise.

► **Office of Former ED John Hurley, ED Chantale Wong, and AED Moushumi Khan - United States**

Interactions with Former ED John Hurley, current ED Chantale Wong, and AED Moushumi Khan representing the United States were instrumental in understanding the perspectives and priorities of one of the ADB's major shareholders. The Forum network actively engaged with them and had the opportunity to present their views on stakeholder engagement, accountability mechanisms, and environmental and social risk assessment.

These discussions fostered a collaborative approach to safeguard policy development and reinforced the commitment to transparency and inclusiveness. The input provided by the Forum network, combined with the diverse perspectives shared by the mentioned individuals, aims to contribute to a more comprehensive and robust framework for safeguard policies of the ADB.

► **AED Keiko Takahashi - Japan**

Engagements with AED Keiko Takahashi from Japan facilitated an exchange of knowledge and experiences related to safeguarding practices. The Forum network contributed valuable insights on gender and safeguards, cultural heritage, and land acquisition issues, aligning the discussions with the priorities and concerns of Japan as a key partner country.

These interactions promoted a comprehensive understanding of safeguard policies within the Japanese context.

► **ED Sergio Lugaresi and AED Alberto Cerdan - Belgium / France / Italy / Portugal / Spain / Switzerland**

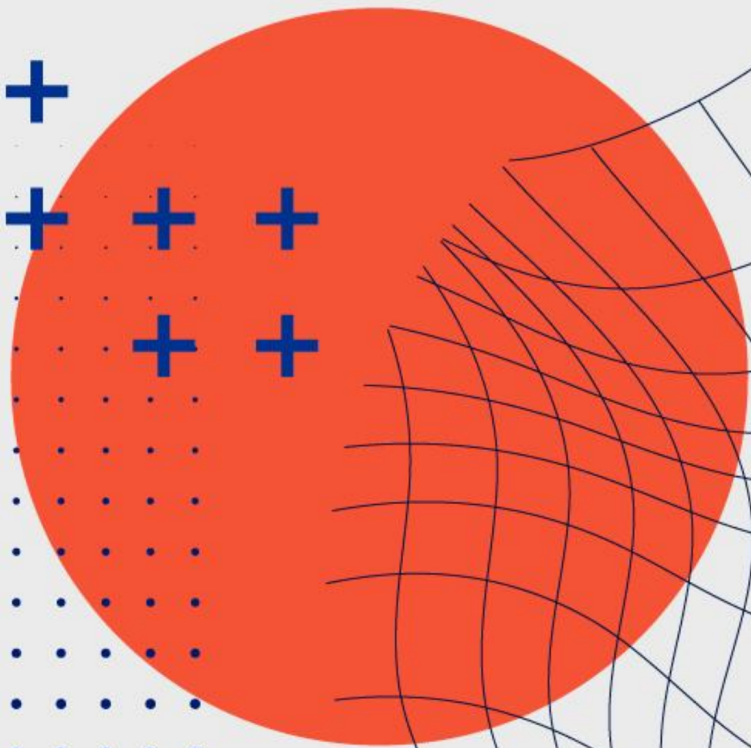
Engagements with ED Sergio Lugaresi and AED Alberto Cerdan, representing a group of countries including Belgium, France, Italy, Portugal, Spain, and Switzerland, were particularly focused on environmental and social impacts, risk assessment, and accountability mechanisms during the ongoing Safeguards Policy Review.

The Forum network actively shared their expertise on these topics, ensuring that the policy framework incorporated diverse perspectives and aligned with international standards.

AIIB:
TOP FUNDING THE
CLIMATE CRISIS

2

ASIAN
INFRASTRUCTURE
INVESTMENT
BANK



PROJECT MONITORING

Bhola Integrated Power Plant (Bhola IPP) | BANGLADESH

NGO Forum on ADB together with CLEAN (Coastal Livelihood and Environmental Action Network) filed a complaint regarding the Bhola IPP (Project Number 000057) funded by the AIIB. Forum and CLEAN have highlighted the following -

▶ **Lack of Information Disclosure and Meaningful Consultation**

The complainants have expressed concerns regarding the lack of timely information disclosure by both AIIB and NBBL (National Bank of Bhola Limited) related to project information. They have also highlighted issues with the translation of key documents, such as the Environmental and Social Impact Assessment (ESIA), E&S Summary,

Environmental Management Plan (EMP), and Grievance Redress Mechanism (GRM). The complainants claim that the translated documents are incomprehensible and do not make sense. Additionally, they allege that the lender has not provided any documentation or output from the consultation reports, and the accounts of consultations have been misrepresented and unverifiable.

▶ **Coercion, Fraud, and Intimidation on Land Acquisition**

The affected communities have reported instances of coercion, fraud, and intimidation by middlemen appointed by NBBL to forcibly acquire land at lower rates.

They specifically mention that Hindu communities fear retaliation if they raise concerns about the project. The complainants assert that there are no records of sale or transactions for the first phase of land acquisition by NBBL. Furthermore, they claim that the land acquisition process violates the "Bangladesh Acquisition and Requisition of Immovable Property Ordinance, 1982 and the amended ordinance of 2017," which entitles landowners to receive thrice the market price from private companies. The complainants also note the ineffectiveness and non-functionality of the local grievance redress mechanism (GRM).



Smoke stack of the Bhola IPP in funded by the AIIB



Local communities bear the brunt as labor colony's excessive discharge of effluent, sewage, and waste renders nearby villages uninhabitable

▶ **Environmental Impact and Livelihood Loss**

The complainants have highlighted several environmental impacts and livelihood losses caused by the project. They claim that the construction and deposition of sand waste by NBBL have led to the siltation of Mandartoli Shakha Khal/ River Channel riverbed. The embankment of the northern part of the canal with sand sacks has resulted in siltation and the gradual drying up of the canal, reducing its water carrying capacity. This has affected the local communities and disrupted their agricultural activities.

The complainants also report the destruction of approximately 400 Betel leaf farms due to flooding caused

by the clogging of Mandartoli Shakha Khal during high tide. This flooding has displaced over 2,000 families who rely on agriculture for their livelihoods. Additionally, over 100 households have been directly affected by waterlogging, rendering them disconnected from essential services such as healthcare and communication. The project site's occupation of grazing land has had a direct impact on goat herders, particularly women. Moreover, the discharge of effluent, sewage, and waste from the Labor Colony has created uninhabitable living conditions in surrounding villages.

▶ **Conclusion and Request for Investigation**

Based on the concerns

raised by the complainants, we hereby submit the six complaints for investigation through the PPM. As representatives of the affected people, CLEAN and the NGO Forum on ADB are available to provide any necessary clarifications and address queries during the complaint process. We anticipate your prompt response and would like to emphasize that numerous attempts to resolve these issues in good faith with NBBL and AIIB Operations and Management have been unsuccessful over the past three years. The situation has further deteriorated for the local communities, particularly during the ongoing pandemic.

Hin Kong Combined Cycle Power Plant | THAILAND

The Forum network recently took action by sending a letter to the AIIB, urging the Bank to withdraw its proposed financing for the Hin Kong Gas Fired IPP Project in Thailand. The decision to write the letter came after community members, local civil society groups, and concerned NGOs reached out to the Forum network, seeking their assistance in amplifying their concerns.

The letter highlighted several key concerns regarding the project. Firstly, it emphasized the contradiction of expanding fossil fuel infrastructure during the ongoing climate crisis. The Forum network expressed the need for a transition to renewable energy sources to align with global climate commitments and Thailand's

Power Development Plan. Additionally, the letter pointed out the lack of evidence-based rationale behind the project and highlighted the importance of transparency and accountability in decision-making processes.

The letter also underscored the potential risks to public health and the environment that could have arisen from the project. By raising these concerns, the Forum network aimed to shed light on the negative impacts of the proposed gas project and emphasized the need for a more sustainable and environmentally friendly approach.

In a significant development, a few days after the letter was sent, the AIIB announced that it had halted the processing

of the Hin Kong 1400 MW Gas-fired Independent Power Producer Project in Thailand. This outcome indicates that the concerns raised by the Forum network and other stakeholders resonated with the AIIB and influenced their decision to reconsider their support for the project.

The action taken by the Forum network, in collaboration with local communities and civil society groups, demonstrates the power of collective advocacy in influencing decision-making processes. It highlights the importance of engaging with financial institutions to promote sustainable and climate-friendly investments and encourages continued efforts to address the pressing challenges of the climate crisis.



Hin Kong Combined Cycle Power Plant in Thailand

Cambodia PRASAC COVID-19 Response Facility and Cambodia Emergency and Crisis Response Facility

The AIIB's recent investments in Cambodia's microfinance/MSME loan market have sparked deep concerns due to well-publicized warnings about human rights violations from predatory lending and abusive collections. Despite these warnings, AIIB approved substantial loans to PRASAC Microfinance Institution Plc. and ACLEDA Bank Plc., even amid ongoing complaints against these institutions. Civil society organizations strongly opposed AIIB's decision, emphasizing the negative social impacts on Cambodia's poorest and most vulnerable populations.

Cambodia's microfinance sector experienced rapid growth with international investments, leading to an oversaturated and highly competitive market. This growth fostered predatory lending practices, soaring loan sizes, and unsustainable levels of household debt. The lack of effective client protection resulted in widespread social harms, including threats to land tenure security and adverse effects on indigenous communities. Many Cambodian borrowers owed twice their monthly income in microloan repayments, with loans often collateralized with land titles, further risking land tenure security.

► PRASAC and ACLEDA: Unethical Lending Practices

PRASAC and ACLEDA were major players in Cambodia's microfinance sector, representing a significant portion of the market. However, their lending practices came under scrutiny due to coerced land sales and violations of consumer protection policies, Cambodian laws, and international financial institutions' environmental and social protections. Borrowers were frequently pressured into accepting oversized loans without considering their income, solely based on land titles as collateral. The resulting debt burdens led to various social harms, including debt-induced

child labor, forced migration, food insecurity, and the loss of homes and livelihoods.

► Weaknesses in AIIB's Environmental and Social Framework

AIIB's Environmental and Social Framework had shortcomings in addressing environmental and social risks related to microfinance investments. It primarily focused on whether financial intermediaries had appropriate management systems to mitigate project-related harms, but it failed to adequately address the predatory lending and collection practices of microfinance providers themselves, which caused social harms to borrowers. This gap in assessment and supervision left vulnerable microfinance borrowers unprotected.

Microfinance providers like PRASAC and ACLEDA often used borrowers' land as collateral, leading to land dispossession and involuntary evictions. Indigenous communities were particularly affected as their lands overlapped with microfinance collateral requirements, contributing to the erosion of their culture and traditions.

Concerns raised by CSOs about AIIB's investments in Cambodia's microfinance sector were valid. The oversaturated and poorly regulated market, along with unethical lending practices, posed significant risks to vulnerable populations. AIIB's Environmental and Social Framework needs strengthening to address the root causes of social harms within microfinance activities. Specific and measurable steps should be taken to improve the identification and prevention of environmental and social harms by financial intermediary clients. AIIB should seriously consider these concerns and refrain from further funding microfinance providers in Cambodia until the risks are adequately addressed.



Unique Meghnaghat (IPP). Photo by Sarmin Akter Bristy/CLEAN

Unique Meghnaghat Independent Power Producer (IPP)

The Unique Meghnaghat Power Plant is a 584 Megawatt (MW) liquefied natural gas (LNG)-based power plant funded by the AIIB that was being developed by Unique Meghnaghat Power Limited (UMPL) in Bangladesh. It was situated in Dudhghata, Korbanpur, and Chanderchak villages on the right bank of the Meghna River. The project was backed by various entities, including Unique Hotel and Resorts Limited, GE Capital Global Energy Investments, Nebras Power Investment Management, and Strategic Finance Limited.

The project had been approved by the Cabinet Committee in May 2018, and a Power Purchase Agreement was signed with Bangladesh Power Development Board in July 2019 for a 22-year operation period. The initial budget was BDT 4,368 crore (USD 515.7 million) but had increased to USD 613 million (BDT 6,320 crore) in November 2022 without any explanation for the additional expenditure.

The power plant had faced several challenges and concerns. Bangladesh already had a large overcapacity in its power sector, with 34.3% of its capacity idle in 2022. The demand for fossil gas had exceeded the supply, and the

plant was expected to become a stranded asset, incurring additional costs for the government.

The generation cost of electricity from the power plant had been significantly higher compared to solar power, creating uncertainties about its cost and power supply. Additionally, the plant's gas consumption had been high, leading to substantial carbon emissions, which could have hindered Bangladesh's efforts to meet its Paris Agreement goals.

There had also been issues regarding land acquisition, with claims that the project had taken more land than originally stated and that local landowners were unfairly compensated.

Considering the environmental, social, and economic impacts, there had been key demands for the AIIB to withdraw funding for the project, focus on developing decentralized renewable energy projects, exclude funding for all fossil fuel projects, reevaluate the situation in Bangladesh, and clarify the fast-tracking status of the project under the AIIB's Accountability Framework.

AIIB ENERGY SECTOR STRATEGY (ESS)

Regarding the AIIB Energy Sector Strategy (ESS), a letter was sent to the Bank, signed by multiple organizations, requesting clarification from AIIB regarding the update of the Energy Sector Strategy (ESS). They sought public disclosure of the process, timelines, and drafts, as well as engagement with civil society organizations. The letter emphasized the importance of timely responses to these concerns.

Another communication was sent to the AIIB, titled 'Collective Call for a New Forward-Looking AIIB Energy Sector Strategy,' which expressed urgent concerns and reflections regarding the AIIB's Energy Sector Strategy update. It highlighted past projects that had caused environmental damage and urged the bank to prioritize renewable energy and exclude fossil fuel investments. The letter also called for transparency, public consultations, and the consideration of scientific evidence and international commitments. It emphasized the need for a just transition and sustainable infrastructure.

The Forum sent the 'AIIB's Call for Public Input on the Energy Sector Strategy Update' to the AIIB. The letter expressed concerns regarding the limited parameters of the call for public input on the draft text of the AIIB Energy Sector Strategy Update. It urged the AIIB to reconsider the deadline and the requirement for written submissions in English, which created barriers for meaningful input from civil society groups. The letter suggested a more transparent and inclusive process, including extending the deadline, providing translated draft texts, allowing anonymous comments, disclosing background papers, and scheduling interactive discussion sessions. It also emphasized the importance of transparency and public accountability in socially and environmentally risky investments in the energy sector. The letter

called on the AIIB to address concerns about potential environmental and social impacts and the lack of transparency in financial intermediary on-lending. It concluded by requesting an extension of the deadline for meaningful public input and a response within two weeks.

The network sent the 'Collective Statement For the Energy Sector Strategy Update' to the AIIB. The statement expressed strong criticism of the online consultation conducted by the AIIB regarding its energy sector investments. The authors argued that the consultation lacked meaningful space for the expression of diverse civil society concerns and should have been a pivotal moment in the Energy Sector Strategy update process. They reiterated their previous calls for an accountable, inclusive, and transparent revision process, including scheduling interactive discussions, engaging with civil society groups on specific concerns, providing translated draft texts, accepting written input in major languages, clarifying the applicability of the strategy to non-regional member states, and addressing concerns about reprisals. The authors emphasized the importance of a transparent and inclusive process given the long-term repercussions of energy sector decisions. They refused to consider the current session as a genuine space for discussion and urged the AIIB to ensure its investments aligned with the Paris Agreement and global ambitions for just energy transitions. Finally, they announced their withdrawal from the platform as an act of collective denunciation.

The Forum took part in the 'Virtual Consultations Hosted by AIIB on the Energy Sector Strategy Update.' However, the network expressed disappointment with the virtual consultations conducted by the AIIB regarding the Energy Sector Strategy Update. Despite appreciating the effort to expand public

BANK ENGAGEMENTS

AIIB UK Alternate Executive Director Meeting

The Forum, together with like-minded organizations, held a meeting with the UK Treasury to discuss the review of AIIB's Energy Sector Strategy.

As part of the preparations for AIIB's Quarterly Board meeting held on June 28-29, 2022, the UK Treasury actively communicated with the UK Alternate Executive Director (Alt ED) and his team. The UK Treasury was committed to fostering effective dialogue and collaboration with all stakeholders involved.

Additionally, the UK Treasury invited input and suggestions from attendees for the meeting's agenda, with a key focus on the review of AIIB's Energy Sector Strategy as the public consultation period drew to a close. This engagement highlighted the UK Treasury's proactive approach in actively contributing to the ongoing development of AIIB's strategies and initiatives.

Critical Civil Society Concerns on Project and Policy-Related Matters

The Forum and its allies wrote an open letter to raise and follow up on a series of unresolved policy and project-related concerns. The letter was addressed to AIIB President Mr. Jin Liqun and other key officials, highlighting the limitations of the current engagement format and emphasizing the need for a more meaningful exchange of perspectives.

Challenges with the Engagement Format

The civil society organizations acknowledged the scheduled meetings between CSOs and AIIB's Complaints-resolution, Evaluation, and Integrity Unit (CEIU) and management for dialogue. However, they asserted that the allocated time for these sessions was insufficient for addressing specific project concerns and substantive policy questions.

Additionally, the evening timing of the sessions in Asian time zones and the lack of interpretation options limited accessibility for participants with caregiving duties, language needs, or unstable internet connections.

Unresolved Concerns from the Previous Year

The organizations referred to a letter sent over a year ago to AIIB senior management, urging them to create meaningful space for dialogue with civil society organizations and affected communities during the Annual Meetings. The letter called for project-related meetings, policy revision discussions, and translation options. However, these suggestions were not addressed, and the current Annual Meeting schedule did not reflect these concerns.

Key Concerns Raised by Civil Society Organizations

The letter highlighted specific points related to AIIB's policies, projects, and processes that required a more extensive and meaningful exchange of perspectives. These points included:

1. Energy Sector Strategy Update: The organizations called for a public release of the revised draft and a comment period, aligning with standard practices of peer MDBs. They also highlighted the need for addressing concerns about consultation processes, gender considerations, and regional nuances in the energy sector portfolio.
2. AIIB's Commitment to Paris Alignment: The organizations sought clarity on how the Bank would ensure its alignment with climate science and the goals of the Paris Agreement, emphasizing the importance of disclosing institutional guidance materials for public input.
3. Risk of Reprisals: Concerns were raised about AIIB's response to cases of reprisals and the need for clear actions to prevent and address such incidents in the future.
4. Project Investments: Specific projects, such as the Surkhandarya Combined

Cycle Gas Turbine Project in Uzbekistan, the Unique Meghnaghat Combined Cycle Gas Turbine Project in Bangladesh, and the Nenskra Hydropower Project in Georgia, were flagged as problematic due to environmental, social, and human rights concerns. The organizations called for the withdrawal or closer examination of these projects.

Call for Accountability and Transparency

Civil society organizations urged AIIB management to be accountable and responsive to the concerns of affected communities and civil society across the Bank's membership. They emphasized the importance of increased transparency in policy revision processes and project-related matters. Additionally, the organizations called for enhanced due diligence to prevent complicity in human rights violations and to ensure ecologically and economically sustainable infrastructure development.

CEIU Forum with CSOs and NGOs

The Complaints-resolution, Evaluation, and Integrity Unit (CEIU) of the AIIB held a forum for CSOs and NGOs during the AIIB Annual Meeting. The session aimed to facilitate dialogue, share insights, and exchange experiences with the CEIU.

The Forum network took this opportunity to emphasize project-related concerns, including the 1560MW Surkhandarya Combined Cycle Gas Turbine Project in Uzbekistan, the 584MW Unique Meghnaghat Combined Cycle Gas Turbine Project in Bangladesh, and the Nenskra Hydropower Project in Georgia.

Concerns were raised about the high-risk nature of the Surkhandarya project and its

inconsistency with the climate goals of the Paris Agreement. In the case of the Unique Meghnaghat project, violations of the AIIB's Environmental and Social Framework (ESF) reported by local community organizations were highlighted, along with concerns about methane emissions and their impact on climate science and affected communities. The Nenskra Hydropower Project's risks related to geologically unstable areas and violations of environmental and social policies were also discussed.

The Forum further urged addressing concerns regarding already approved projects, including the IDCOL Multisector On-Lending project in Bangladesh, the Bhola IPP project in Bangladesh, the BDMG Renewables and Connectivity Facility in Brazil, and the PRASAC COVID-19 Response Facility and ACLEDA Emergency and Crisis Response Facility in Cambodia. Transparency, accountability, rights violations, and inadequate environmental and social impact assessments were among the issues raised.

Additionally, stakeholders highlighted concerns related to the Bangalore Metrorail-Line R6 project in India and the OSE InvIT project in India, ranging from the demolition of a school without suitable alternatives to violations of environmental and social standards in road projects.

While this list of projects is not exhaustive, it showcases the significant concerns raised by stakeholders. The AIIB was urged to suspend further investments in certain projects, conduct investigations, provide redress for affected communities, and engage in dialogue with civil society to address these concerns.



3 FORUM ANNUAL MEETING

+ +
+ +

The NGO Forum on ADB successfully convened its highly anticipated Forum Annual Meeting (FAM) 2022 on November 14-15 in Bali, Indonesia. Despite the challenging circumstances, the network demonstrated its resilience and determination by conducting a meaningful annual meeting. This report provides a comprehensive overview of the event, highlighting the key discussions, activities, and outcomes.

Day One: November 14, 2022

The meeting commenced with a warm and heartfelt welcome from Hasan Mehedi, the Forum International Convenor. His opening remarks set the tone for a productive and engaging gathering, emphasizing the importance of collective action and collaboration.

The first day of the meeting encompassed a diverse range of sessions and discussions. The highlights of the day included:

- ▶ Annual Report Video: Participants were treated to a visually engaging video presentation that showcased the significant achievements, milestones, and impactful initiatives undertaken by the Forum over the past year. This inspiring overview reinforced the network's

commitment to promoting sustainable development and advocating for the rights of affected communities.

- ▶ Updates on Bank Engagements: Participants received informative updates on the network's engagements with financial institutions. These updates provided valuable insights into the progress made in holding banks accountable and influencing their policies and practices to align with sustainable development goals.
- ▶ Updates on the Safeguards Campaign: The Safeguards campaign took center stage, providing an opportunity for participants to exchange insights, share successful strategies, and discuss future directions. The discussions focused on strengthening safeguards policies and mechanisms to protect the rights and well-being of affected communities.
- ▶ Discussion on ADB & AIIB Fossil Gas Investments: Perspectives from Asia: This session critically examined the implications of fossil gas investments by the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB). Participants explored the

environmental and social impacts of these investments and advocated for a shift towards sustainable energy sources.

- ▶ Roundtable Discussion on Philippines, Indonesia, Pakistan, and Bangladesh: A focused roundtable discussion facilitated in-depth conversations on country-specific challenges and experiences. Participants shared insights, best practices, and strategies to address local issues and advocate for sustainable development in these key countries.
- ▶ Discussion on 'Asserting Justice in the Face of ADB and AIIB Energy 'Transition' Financing': This thought-provoking session critically examined the complexities of energy transition financing and the need to ensure justice and sustainability in such initiatives. Participants explored ways to challenge the narrative of transition financing and advocated for transformative energy solutions.
- ▶ Additionally, the meeting saw the official launch of the Forum ADB Gas & LNG Tracker. This valuable tool aims to support members in their advocacies and related activities by providing them with up-to-

date data, information, and resources.

The first day concluded with a breakout session focused on the network's plans for the ADB Energy Campaign and AIIB Energy Sector Strategy. Participants engaged in dynamic discussions, sharing action ideas and strategies to advance these campaigns effectively.

Day Two: November 15, 2022

The second day of the Forum Annual Meeting continued the momentum with a series of informative and insightful panel discussions. These panels aimed to share updates, lessons learned, best practices, and future plans among participants. The panels held on this day included:

- ▶ Cases on Accountability Mechanism: Lessons Learned: This panel provided a platform to reflect on previous cases and share insights on effective strategies to hold financial institutions accountable for their actions. Participants analyzed lessons learned and explored avenues for enhancing accountability mechanisms.
- ▶ Ongoing Project Monitoring: Challenges and Opportunities: Participants delved into the challenges and opportunities associated with ongoing project



FAM participants in their I MADE ADB QUIT COAL shirts



NGO Forum on ADB International Committee 2020 - 2022

monitoring. The panel discussions focused on strategies to ensure responsible project implementation, address environmental and social concerns, and engage with affected communities throughout the project lifecycle.

- ▶ **Information Sharing and Advocacy Support:** This panel emphasized the importance of information sharing and collaboration in advancing advocacy efforts. Participants exchanged best practices, tools, and methodologies for effective communication, outreach, and engagement with various stakeholders.
- ▶ **Sri Lanka Debt Crisis:** The panel dedicated to the Sri Lanka debt crisis provided a platform to analyze the economic and environmental implications of the crisis. Participants explored strategies to address the challenges posed by unsustainable debt burdens and emphasized the need for responsible lending practices.
- ▶ **Discussion on Retaliation and Reprisals:** This crucial session shed light on the risks faced by individuals and organizations advocating for justice and sustainability. Participants engaged in a meaningful dialogue to identify mechanisms for protecting and supporting those who face retaliation and reprisals.

The second day culminated in a significant and impactful discussion on the Forum Strategy 2030. Participants shared their visions, aspirations, and priorities for the future of the network. This strategic discussion served as a blueprint for the Forum's collective efforts in the coming years, ensuring its continued relevance and effectiveness in addressing emerging issues.

The NGO Forum on ADB's Forum Annual Meeting 2022 in Bali, Indonesia was a resounding success. Despite the challenges faced, the network demonstrated its resilience, commitment, and collaborative spirit. Through engaging sessions, informative discussions, and the launch of valuable tools, participants were equipped with knowledge, insights, and action plans to advance their advocacies for sustainable development, accountability, and justice.

The meeting facilitated meaningful exchanges, fostered partnerships, and strengthened the collective voice of civil society in influencing the policies and practices of financial institutions. The discussions and outcomes of the Forum Annual Meeting 2022 will serve as a catalyst for the network's ongoing efforts to promote sustainable development, protect the rights of affected communities, and address emerging challenges in the Asian Development Bank's operations.



NGO Forum on ADB International Committee 2022-2024



FAM participants discussing the safeguards campaign



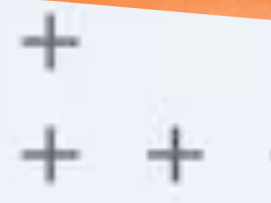
FAM participants discussing the energy campaign



Winners of the first FAM trivia night



4 OTHER ACTIVITIES



INTERNATIONAL WOMEN'S DAY

International Women's Day serves as a powerful reminder of the strength, resilience, and accomplishments of women worldwide. In commemoration of this special day, the NGO Forum on ADB was proud to pay tribute to the remarkable female network members who tirelessly worked towards creating a better world. These women were at the forefront of positive change, and their unwavering commitment had a profound impact on communities across Asia. To celebrate their achievements, the NGO Forum on ADB launched a social media campaign, inviting these inspiring women to share their stories and contribute to a collective voice that inspired and uplifted women and girls throughout the region.

The NGO Forum on ADB recognized the vital role that women played in transforming societies and addressing pressing issues.

Through their dedication, compassion, and perseverance, these women created meaningful change and advocated for a more equitable and sustainable future. By shining a light on their stories, the NGO Forum on ADB aimed to inspire others and amplify their voices, ensuring that their remarkable journeys were acknowledged and celebrated.

As part of the International Women's Day celebrations, the NGO Forum on ADB extended an invitation to these exceptional women to join their social media campaign. Through this campaign, they were provided with a platform to share their insights and wisdom, offering inspiration and motivation to women and girls across Asia. Each participant was requested to contribute an inspirational quote that encapsulated their experiences, personal reflections, or advocacy messages. These powerful quotes were thoughtfully crafted into visually captivating four-spread quote cards, serving as a testament to the strength and resilience of these change-makers.



REGIONAL INFRASTRUCTURE MONITORING ALLIANCE (RIMA)

The Sustainable Development Goals (SDGs) also included the development of "sustainable, resilient, high-quality infrastructure" (UN). Multilateral development banks (MDBs) were actively involved in this global sustainability project. However, there was a lack of accountability among the economic players involved.

To strengthen accountability, the **Regional Infrastructure Monitoring Alliance (RIMA)** was established in the past. RIMA was a platform designed for senior activists from the region, including China. It was an informal alliance of civil society groups from East, South, and Southeast Asia, as well as from Europe, with core organizers being four CSOs: Urgewald, CLEAN, Growthwatch, and NGO Forum on ADB.

RIMA's main goal was to support local communities and their livelihoods, advocating for sustainable infrastructure that respects the SDGs, mitigates climate change, and adheres to high environmental standards.

The alliance aimed to amplify the voices of local communities and hold economic actors accountable. It provided tools and resources to engage with stakeholders to prevent climate change and protect the people and the environment.

RIMA facilitated collaboration, provided additional resources, and promoted knowledge exchange among members. The alliance primarily emphasized physical meetings to foster true collaborative energy. Its regional focus made communication, coordination, and knowledge exchange easier, supporting existing movements to become more effective and resilient.

RIMA's uniqueness lay in its engagement on Human Rights, Advocacy, and Infrastructure, with a specific focus on Chinese stakeholders. It operated as an independent non-formal platform guided by anti-colonial, democratic, and gender-sensitive principles. Credibility and independence were vital assets and protection. RIMA strictly opposed any behavior contradicting its core values or the values of the represented Civil Society Groups. It rejected authoritarian, racist, colonial, misogynistic stakeholders, attitudes, or interference.

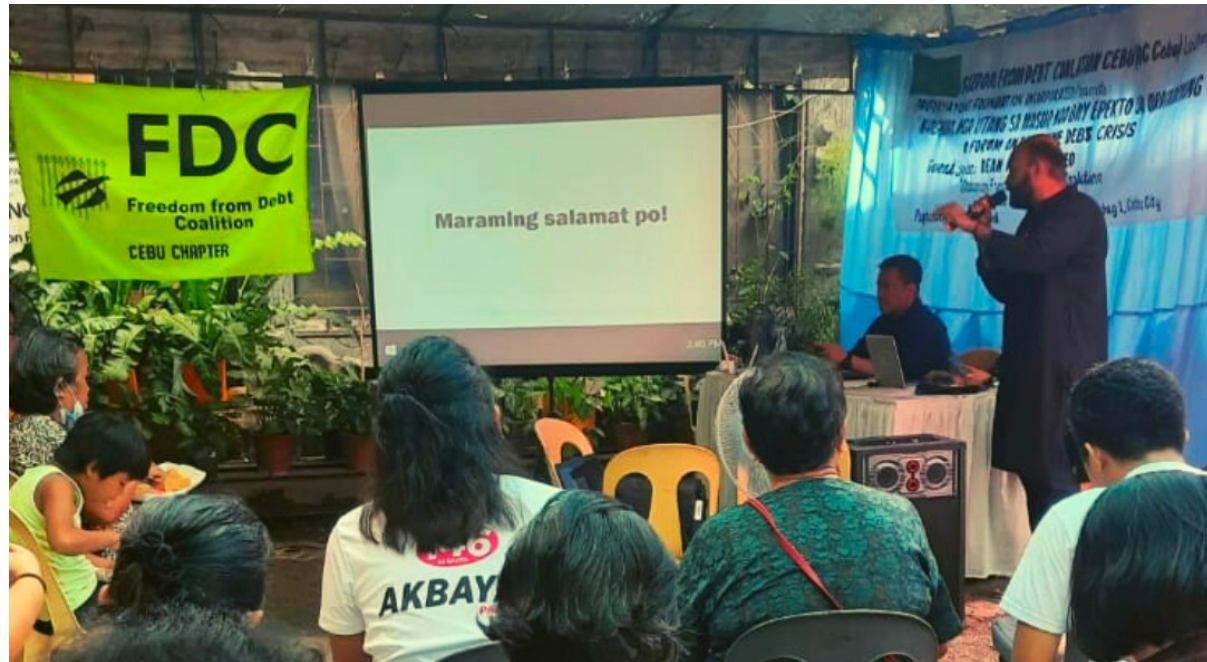


Participants of the 1st RIMA Conference in Nepal

FORUM ON PHILIPPINE DEBT

The Forum network participated in the Freedom from Debt Coalition's "Forum on Philippine Debt" in Cebu City on July 15. During the event, the Forum shared insights on the involvement of the ADB and the Asian Infrastructure Investment Bank (AIIB) in the Philippine debt situation. Key points discussed included the role of the ADB and

AIIB in Philippine debt, the impact of their financing on the country's debt burden, the importance of debt sustainability and its economic implications, the need for transparency and accountability in lending practices, and exploring alternatives to debt financing. The Forum's participation provided a platform for discussions on responsible debt management and the promotion of socioeconomic development.



STAND WITH SUKHGEREL

Forum on ADB stood in solidarity with over 130 organization worldwide to express solidarity with Sukhgerel Dugersuren, a Mongolian human rights defender, and condemn the criminalization and smear campaigns against her. They call on the Mongolian government to ensure her safety, dismiss all charges against her, and allow her to continue her important work in defending human rights and the environment.

Additionally, international institutions, including development banks, UN bodies, EU member states, embassies, investors, and private companies, are urged to publicly support Sukhgerel, condemn reprisals, and take action to ensure her ongoing safety and ability to carry out her work.

**NGO FORUM ON ADB NETWORK
DENOUNCES THE THREATS AND
RETALIATION FACED BY
SUKHGEREL
DUGERSUREN**

HELP PAKISTAN

From June to October 2022, Pakistan experienced devastating floods that resulted in significant loss of life and extensive damage. With approximately 1,739 fatalities, the floods caused an estimated Rs 3.2 trillion (\$14.9 billion) of damage and Rs 3.3 trillion (\$15.2 billion) of economic losses. The floods were triggered by unusually heavy monsoon rains and melting glaciers, both of which are attributed to climate change. Pakistan declared a state of emergency on 25 August

in response to the widespread flooding. This event marked the deadliest flood since the 2020 South Asian floods and was regarded as the worst in the nation's history. Additionally, the floods were among the most costly natural disasters recorded globally.

The network helped our friends in Pakistan by seeking donations through the Sandra Smithey Community Emergency Fund. The goal is to provide much-needed assistance to those affected by the devastating floods.



ENERGY LITERACY FOR CAMPAIGNERS

Forum had the 'Energy Literacy for Campaigners: Understanding the Energy & the Power Sector' training program. This comprehensive 3-day training aims to provide participants with a solid understanding of fundamental concepts related to energy campaigning. It will cover various crucial topics to enhance knowledge and advocacy skills.

Participants delved into the following key areas:

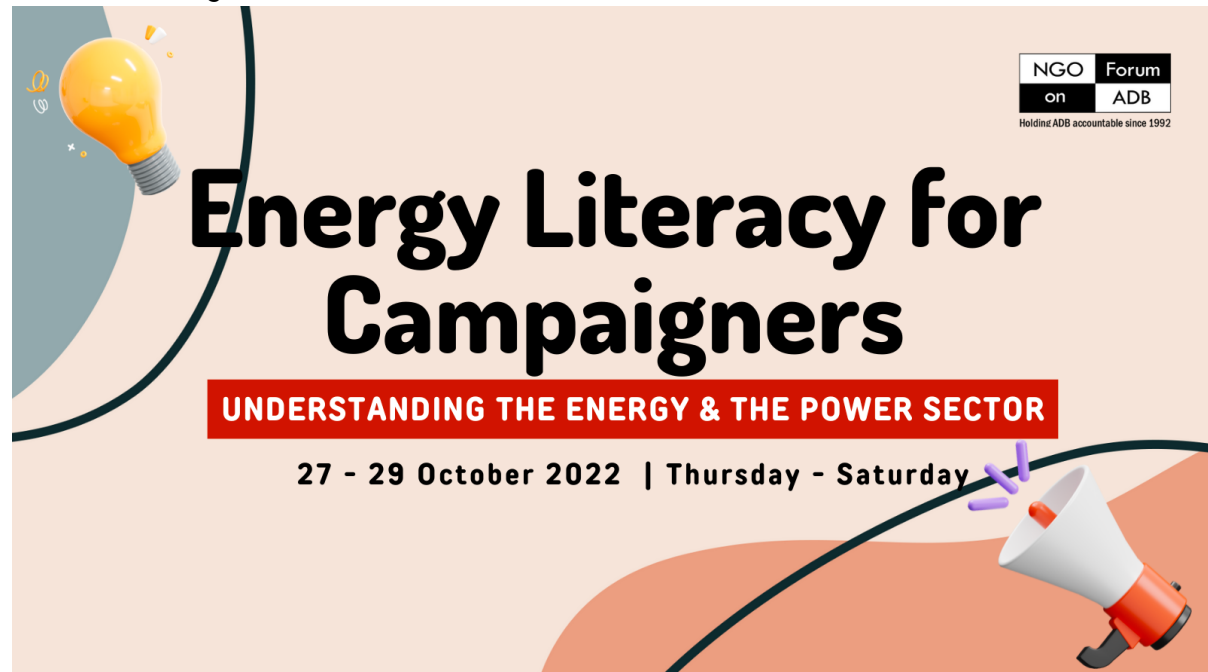
- ▶ Energy Systems: Gain insights into different energy systems, including renewable energy sources, fossil fuels, and their impacts on the environment and climate change. Understand the

complexities and interconnections within energy systems.

- ▶ Fuel Mix: Explore the composition and diversity of fuel sources used in the energy sector. Examine the advantages and disadvantages of various fuels, their availability, and the importance of transitioning to cleaner and sustainable alternatives.
- ▶ Institutional Framework: Grasp the institutional setup and regulatory frameworks that govern the energy and power sectors. Learn about key stakeholders, policy-making processes, and the roles of government bodies, utilities, and civil society in shaping energy policies and practices.

The training sessions were conducted for one hour each day, allowing for an interactive learning experience. The scheduled dates for the training are 27th to 29th October

2022, from Thursday to Saturday. Over 120 participants joined the training from around the world



CLIMATE CRISIS ALERT

As the ADB approved its new energy policy, voices from the NGO Forum on ADB network, grassroots organizations, and impacted communities called for a drastic reduction in approvals for fossil fuel-based projects. The urgent need to address the climate crisis demanded that the ADB take immediate action to end the financing of coal, oil, and gas projects. The upcoming ADB Board meeting was an opportunity for concerned stakeholders to raise the alarm if any anti-climate projects were approved, sending a clear message that the ADB must align its actions with the IPCC Pathway 1 towards limiting global warming to 1.5 degrees. We deserved a sustainable, just, and green future.

The growing consensus among environmental organizations, climate activists, and impacted communities was that continued financing of fossil fuel projects undermined efforts to combat climate change. As the ADB formulated its new energy policy, it had to demonstrate leadership by committing to a rapid transition

away from fossil fuels. This meant rejecting any new coal, oil, and gas projects and shifting investments towards renewable energy and sustainable infrastructure.

The Alert System

In response to the ADB's decisions, the NGO Forum on ADB network, grassroots organizations, and impacted communities established the Climate Crisis Alert system. Every time an anti-climate project was approved by the ADB Board of Directors, the alarm sounded, raising awareness about the ADB's failure to honor the IPCC Pathway 1 towards limiting global warming to 1.5 degrees. This alert served as a powerful message to the world that the ADB had to take immediate and decisive action to prioritize a sustainable and just energy future.

The urgency of the climate crisis necessitated bold action from financial institutions such as the ADB. By ending the financing of coal, oil, and gas projects, the ADB could take a significant step towards a sustainable, just, and green future. It had to align its policies and investments with the goals of the Paris

Agreement, prioritize the well-being of impacted communities, and support the transition to clean and renewable energy sources. Only through collective efforts and a commitment to sustainable practices could we secure a better future for ourselves and future generations.

The ADB's new energy policy presented an opportunity for the institution to lead the way in addressing the climate crisis. As

stakeholders, we demanded an end to the financing of coal, oil, and gas projects and a rapid transition to renewable energy sources.

During the ADB Board meeting, the Climate Crisis Alert served as a powerful reminder that the ADB's decisions had to align with the urgent need to limit global warming to 1.5 degrees. Together, we could work towards a sustainable, just, and green future that benefited both people and the planet.



Name: Surkhandarya 1,560MW CCGT Power Plant

Type of Project: Combined Cycle Gas Turbine Power Plant

Key Project Details

The AIB is proposing to provide a loan of 225million EUR to support the design, construction, and operation of a new 1560MW Combined Cycle Gas Turbine Power Plant in the Surkhandarya region of







Unique Meghnaghat LNG Power Plant Building on Fabricated Causes and Draining Bangladesh's Economy



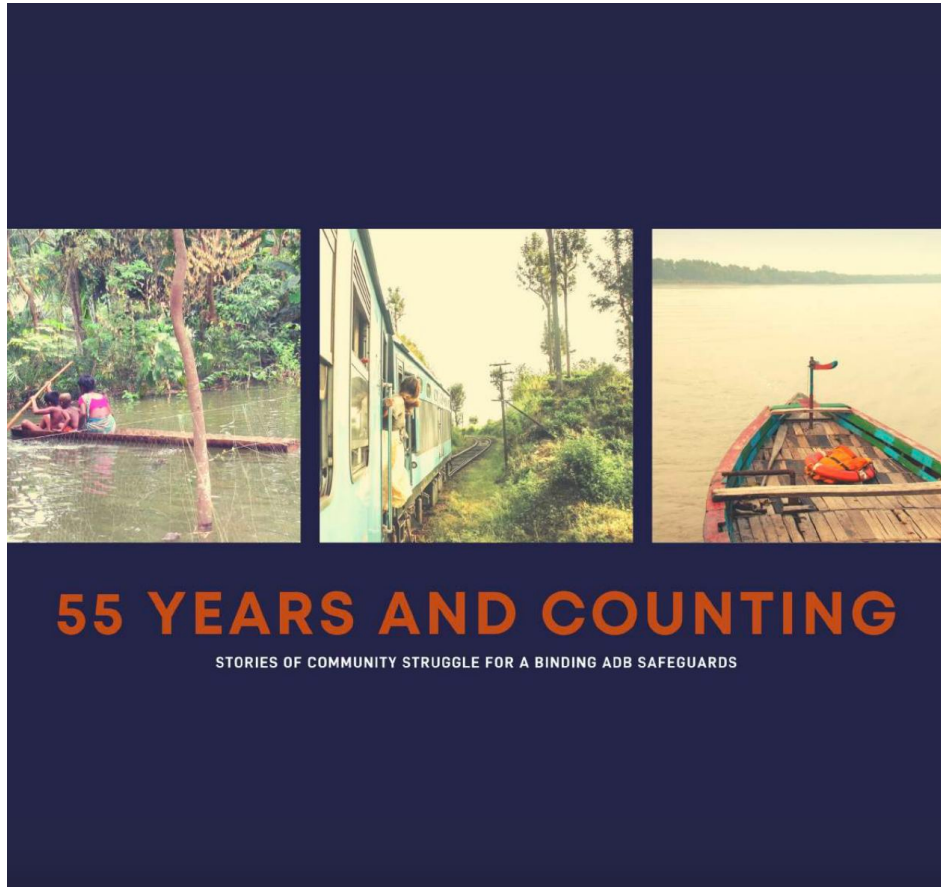
Mekong Region Scoping Report



Bankwatch March 2022



Bankwatch June 2022



55 Years and Counting: Stories of Community Struggle for a Binding ADB Safeguards' Photo Book



Bankwatch September 2023



Code	Product	Price	2014	2015
T0001	RICE	120	1200	1320
T0002	PORK	100	650	750
	CORN	85	850	900
	NUT	150	300	2800
		100	2000	700
		600	750	900



7 FINANCE





REDOR, EMERSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS
 Phil. Cooperative Center Bldg., 90 Balete Drive Ext., New Manila
 Quezon City, Philippines 1112

REECO
 Tel. (632) 722-6005
 Tel./Fax (632) 411-4063
 Email: recpas@yahoo.com
 Website: www.redoremerson.com

PRC / BOA Registration No. 0015
 Valid until February 11, 2025

**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 non-stock, non-profit organization), which comprise the statement of financial position as at December 31, 2022 and 2021 and the related statement of financial activities, statement of changes in fund balances, and statement of cash flows 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, 2022 and 2021, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for Small Entities).

Basis for Opinion

We conducted our audit in accordance with the 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 Small Entities 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.**
 page 2

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 opinion.

REDOR, EMERSON & CO.
Certified Public Accountants

The Board of Trustees and General Membership
NGO FORUM ON ADB, INC.
Page 3

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.


MELISSA ANNE M. REDOR
Partner
CPA Certificate No. 133174
TIN 401-049-191-000
PTR No. 3203266 dated January 6, 2023
Firm BIR Accreditation No. 07-000057-001-2023
(Validity period: March 21, 2023 – March 20, 2026)
Quezon City, Metro Manila

March 29, 2023

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

STATEMENT OF FINANCIAL POSITION
(in Philippine pesos)

December 31,	Notes	2022	2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	26,956,677.14	23,648,272.63
Accounts receivable	7	1,640,803.34	899,372.14
TOTAL CURRENT ASSETS		28,597,480.48	24,547,644.77
PROPERTY AND EQUIPMENT - Net	8	302,416.24	291,619.95
OTHER ASSETS			
Miscellaneous deposits/prepayment		878,991.99	386,158.83
TOTAL ASSETS		29,778,888.71	25,225,423.55
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payables	9	5,135,777.72	5,517,348.87
FUND BALANCES			
General fund		7,881,326.75	3,745,124.87
Restricted funds	17	16,459,368.00	15,671,329.86
Property and equipment fund	8	302,416.24	291,619.95
TOTAL FUND BALANCES		24,643,110.99	19,708,074.68
TOTAL LIABILITIES AND FUND BALANCES		29,778,888.71	25,225,423.55

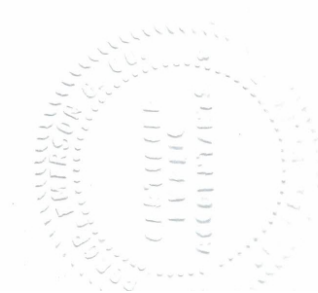
See Accompanying notes to financial statements

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

STATEMENT OF FINANCIAL ACTIVITIES
(in Philippine pesos)

Years ended December 31,	Notes	GENERAL FUND	RESTRICTED FUNDS	PROPERTY AND EQUIPMENT FUND	2022	2021
REVENUES						
Grants/other donations		-	21,404,551.60	-	21,404,551.60	28,100,719.10
Interest Income	6,813.17	-	-	-	6,813.17	7,429.15
Donation	-	-	-	-	-	337,104.90
Return expense	2,080,804.05	-	-	-	2,080,804.05	2,361,154.66
Foreign exchange gain/loss	2,623,017.55	-	-	-	2,623,017.55	1,254,598.63
TOTAL REVENUES		4,710,634.77	21,404,551.60	-	26,115,186.37	32,061,006.44
LESS: EXPENSES						
Information Management	11	-	2,111,721.57	-	2,111,721.57	1,721,327.54
Research/Policy Analysis and Publication	12	-	5,802,192.20	-	5,802,192.20	5,895,943.63
Advocacy Support and Network Building	13	-	9,228,604.29	-	9,228,604.29	11,684,353.29
Capability Building and Internship	14	-	505,449.59	-	505,449.59	339,863.00
Personnel	15	-	2,176,648.31	-	2,176,648.31	1,874,485.15
Organizational Expenses	16	452,692.59	791,897.50	-	1,244,590.09	812,202.19
Depreciation	8	-	-	110,944.01	110,944.01	80,896.89
TOTAL EXPENSES		452,692.59	20,616,513.46	110,944.01	21,180,150.06	22,409,071.69
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		4,257,942.18	788,038.14	(110,944.01)	4,935,036.31	9,651,934.75
ADD (DEDUCT):						
Interfund transfer - acquisition of equipment		(121,740.30)	-	121,740.30	-	-
Fund balances, beginning		3,745,124.87	15,671,329.86	291,619.95	19,708,074.68	10,056,139.93
FUND BALANCES, December 31		7,881,326.75	16,459,368.00	302,416.24	24,643,110.99	19,708,074.68

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 (DEFICIENCY) OF RESTRICTED FUNDS
(in Philippine pesos)

Year ended December 31, 2022	Notes	11,111 COALITION FOUNDATION	C.S. MOTT FOUNDATION	EUROPEAN CLIMATE FOUNDATION	ENVIRONMENTAL ENTREPRENEURS, INC. (FPOS/SEE)	HEINRICH BOELL FOUNDATION	GLOBAL COMMUNICATIONS COUNCIL (GSCC)	ROCKEFELLERS PHILANTHROPY ADVISORS	TOTAL
REVENUES									
Grants/other donations		2,489,389.81	16,275,499.49	349,563.75	-	1,707,188.55	552,000.00	-	21,404,551.60
TOTAL REVENUES		2,489,389.81	16,275,499.49	349,563.75	-	1,707,188.55	552,000.00	-	21,404,551.60
LESS: EXPENSES									
Information Management	11	112,020.00	513,484.87	546,150.00	-	286,073.00	-	-	1,457,727.67
Salaries & benefits		131,505.14	328,759.51	163,729.25	-	-	-	-	624,000.00
Website/webhosting & other expenses		22,309.00	-	-	-	7,691.00	-	-	30,000.00
Other contracted services		243,525.14	864,553.18	709,879.25	-	283,194.00	-	-	2,111,171.57
Sub-total		513,359.28	1,711,807.56	1,419,758.50	-	296,964.00	-	-	3,731,929.34
Research/Policy Analysis and Publication	12	128,700.00	1,082,393.12	1,138,694.00	159,068.88	-	-	-	2,506,856.00
Salaries & benefits		355,170.00	1,515,228.32	-	-	-	-	-	1,870,398.32
Publication		-	1,424,937.88	-	-	-	-	-	1,424,937.88
Foreign travel & other expenses		483,870.00	4,022,559.32	1,136,694.00	159,068.88	-	-	-	5,602,192.20
Sub-total		967,740.00	6,644,818.52	2,275,388.00	318,137.76	-	-	-	9,196,064.28
Advocacy Support and Network Building	13	383,573.02	2,131,499.32	773,236.80	-	436,525.00	350,044.00	-	4,084,877.94
Policy review		607,282.30	1,448,916.78	468,500.00	-	-	231,477.70	-	2,284,576.78
Forum annual meeting		214,705.00	138,905.00	784,400.00	-	341,181.00	-	-	1,746,105.49
Other contracted services		-	-	-	-	107,095.00	-	-	1,028,390.00
Salaries & benefits		74,600.09	10,053.99	-	-	-	-	-	84,654.08
NGO campaign at ADB annual meeting		1,290,160.41	4,407,994.58	2,064,136.80	-	884,791.00	551,521.70	-	6,228,604.29
Sub-total		1,396,150.81	7,631,409.67	3,626,772.60	-	1,469,592.00	882,521.70	-	10,305,846.78
Capability Building and Internship	14	100,000.00	405,449.59	-	-	-	-	-	505,449.59
Skillshare workshop		100,000.00	405,449.59	-	-	-	-	-	505,449.59
Sub-total		100,000.00	405,449.59	-	-	-	-	-	505,449.59
Personnel	15	168,024.00	687,160.50	301,375.50	-	87,000.00	-	-	1,523,560.00
Salaries & benefits		-	280,181.68	-	-	-	-	-	280,181.68
Legislated benefits		-	192,906.63	-	-	-	-	-	192,906.63
Medical benefits		16,200.00	143,940.00	19,860.00	-	-	-	-	180,000.00
Other contracted services		184,224.00	1,654,188.81	321,235.50	-	87,000.00	-	-	2,176,648.31
Sub-total		184,224.00	1,654,188.81	321,235.50	-	87,000.00	-	-	2,176,648.31

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

Year ended December 31, 2022	Notes	11,11,11 COALITION	C.S. MOTT FOUNDATION	EUROPEAN CLIMATE FOUNDATION	SOCIAL AND ENVIRONMENTAL ENTREPRENEURS, INC. (FPOS/SEE)	HEINRICH FOUNDATION	GLOBAL STRATEGIC COMMISSION COUNCIL (GSCC)	ROCKEFELLERS PHILANTHROPY ADVISORS	TOTAL
Organizational Expenses	16	54,500.00	214,110.00	29,750.00	-	-	-	-	288,400.00
Depreciation		42,820.39	101,578.09	9,890.00	-	-	-	6,916.77	161,445.25
Utilities		40,000.00	74,639.27	19,600.00	-	-	-	6,135.80	140,375.07
Audit fees & other expenses		23,830.71	48,883.71	-	9,281.50	-	-	5,987.00	80,973.82
Local transportation		-	51,782.53	-	-	-	-	8,114.50	67,071.03
Postage and communication		-	16,521.75	12,851.75	-	-	-	-	21,355.25
Office & equipment supplies		50.00	757.81	382.32	-	-	-	-	1,621.13
Taxes, licenses & other expenses		-	930.00	-	-	1,043.05	-	-	2,681.48
Bank charges		-	150.00	-	-	-	-	-	150.00
Reproduction of materials		-	400.00	-	-	-	-	-	400.00
Provision allowance		-	-	-	-	-	-	-	-
Miscellaneous		-	-	-	-	-	-	-	-
Sub-total		161,001.10	510,072.16	72,634.07	-	10,334.55	478.30	37,377.32	791,897.50
TOTAL EXPENSES		2,452,780.65	11,794,817.64	4,304,575.42	158,068.88	1,275,889.55	582,000.00	37,377.32	20,616,613.46
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		26,009.16	4,481,591.85	(3,385,015.67)	(159,068.88)	431,299.00	-	(37,377.32)	788,038.14
Fund balances, beginning		-	11,895,944.84	2,569,687.12	159,068.88	1,006,251.70	-	37,377.32	15,671,325.86
FUND BALANCES (DEFICIENCY), December 31, 2022		26,009.16	16,380,536.69	(1,385,328.55)	-	1,437,550.70	-	-	16,489,368.00

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,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	4,935,036.31	9,651,934.75
Add (Deduct):		
Depreciation expense	110,944.01	80,896.89
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts Receivable	(741,431.20)	(551,079.13)
Miscellaneous deposits/Prepayment	(492,833.16)	(28,880.90)
Increase (Decrease) in Accounts Payable	(381,571.15)	2,713,275.75
Net cash provided by (used in) operating activities	3,430,144.81	11,866,147.36
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of office equipment	(121,740.30)	(337,104.90)
NET INCREASE (DECREASE) IN CASH	3,308,404.51	11,529,042.46
CASH AND CASH EQUIVALENT BALANCE		
Beginning of year	23,648,272.63	12,119,230.17
END OF YEAR	26,956,677.14	23,648,272.63

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, 2022 and December 31, 2021

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 Unit J 3rd Floor, La Residencia Building, No.114 Maginhawa Street, Teacher's Village East, Quezon City, Philippines. It has 6 and 5 regular staff as of December 31, 2022 and December 31, 2021 respectively.

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, 2022 were 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.

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) effective 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

1

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 26 – Related Party Disclosures
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 small entities 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.

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.

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 and 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.

2

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.

Section 21, "Impairment of Assets", prescribes the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount if its carrying amount exceeds the amount to be recovered through use of or sale of the asset. If this is the case, the asset is described to be impaired and the standard requires the entity to recognize an impairment loss.

Section 22, "Employee Benefits", deals with accounting and reporting by the plan to all participants as a group. It does not deal with reports to individual participants about their retirement benefit rights. An entity shall recognize the cost of all employee benefits to which its employees have become entitled as a result of service rendered to the entity during the reporting period: (a) as a liability (b) as an expense. This section shall be applied in the financial statements of retirement benefit plans where such financial statements are prepared.

Section 24, "Foreign Currency Translation", prescribes accounting for transactions and balances denominated in foreign currencies that are different from the entity's functional currency and use of presentation currency different from the entity's functional currency.

Section 25, "Events after the End of the Reporting Period", defines events after the end of the reporting period and sets out principles for recognizing, measuring and disclosing those events. Events after the end of the reporting period is the date when the financial statements are authorized for issue. Its objective is to prescribe: (a) when an entity should adjust its financial statements for events after the reporting period; and (b) the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period. It also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate.

Section 26, "Related Party Disclosures", requires an entity to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties. An entity shall disclose key management personnel compensation.

Section 29, "Transition to the Framework", applies to a first-time adopter of this Framework regardless of whether its previous accounting framework was full PFRS or PFRS for SMES.

The significant sections and practices of the Organization are set forth to facilitate the understanding of the financial statements:

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.

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.

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.

2f. Other Liabilities**Current Statutory Liabilities**

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 sheet 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.

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.

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 derecognized 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.

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.

2h. Due To (From)

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

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 consists 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, when an uncertainty arises about the collectability of an amount already included in the revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

Grants

Grants 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.

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.

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.

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

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.

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

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.

11

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 an 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

Income tax

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 Philippines. 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:

	2022	2021
Cash on hand - peso	15,000.00	15,000.00
Cash on hand - Euro (Eur 200.00)	-	11,502.34
Cash in bank - peso accounts	1,284,255.29	2,197,008.37
-US\$ accounts (\$ 397,982.81 in 2022 and \$383,646.89 in 2021)	22,334,795.30	19,479,287.19
- Euro accounts (Eur 55,791.36 in 2022 and Eur 33,827.46 in 2021)	3,322,626.55	1,945,474.73
TOTAL	26,956,677.14	23,648,272.63

12

7. ACCOUNTS RECEIVABLE

This consists the following:

	2022	2021
Accounts/Staff advances	1,500,939.86	649,945.20
Other receivables	139,863.48	249,426.94
TOTAL	1,640,803.34	899,372.14

8. PROPERTY AND EQUIPMENT

These are accounted for as follows:

	2022	2021
Equipment, furniture and fixtures cost		
Balance at beginning of the year	443,616.66	106,511.76
Additions	121,740.30	337,104.90
Balance at end of year	565,356.96	443,616.66
Accumulated depreciation		
Balance at beginning of year	151,996.71	71,099.82
Depreciation	110,944.01	80,896.89
Balance at end of year	262,940.72	151,996.71
Net book value, end of year	302,416.24	291,619.95

9. ACCOUNTS PAYABLE

This consists the following:

	2022	2021
Staff	78,806.84	251,886.25
Unreleased checks/withdrawals	148,140.00	549,784.85
Other payables	4,908,830.88	4,715,677.77
TOTAL	5,135,777.72	5,517,348.87

10. LEASE AGREEMENT

On December 19, 2022, the Organization entered into lease agreement in Unit J of La Residencia Building at No. 114 Maginhawa Street, Teacher's Village East, Quezon City to Ms. Lourdes V. Mingo for the office and premises it presently occupies. The lease agreement is for a term of one year from December 23, 2022 to December 22, 2023 renewable upon mutual agreement of both parties.

11. INFORMATION MANAGEMENT

This consists the following:

	2022	2021
Salaries and benefits	1,457,727.67	1,117,083.33
Website/webhosting and other expenses	623,993.90	461,744.21
Other contracted services	30,000.00	142,500.00
TOTAL	2,111,721.57	1,721,327.54

13

12. RESEARCH/POLICY ANALYSIS & PUBLICATION

This consists the following:

	2022	2021
Salaries and benefits	2,506,856.00	2,244,402.50
Publications	1,870,398.32	2,603,313.00
Foreign travel and other expenses	1,424,937.88	1,048,228.13
TOTAL	5,802,192.20	5,895,943.63

13. ADVOCACY SUPPORT AND NETWORKING BUILDING

This consists the following:

	2022	2021
Policy review	4,084,877.94	6,742,024.20
Forum annual meeting	2,284,576.78	175,122.52
Other contracted services	1,746,105.49	2,129,078.32
Salaries and benefits	1,028,390.00	-
NGO Campaign at ADB annual meeting	84,654.08	41,808.08
Advocacy support	-	2,596,320.17
TOTAL	9,228,604.29	11,684,353.29

14. CAPABILITY BUILDING AND INTERNSHIP

This consists the following:

	2022	2021
Skillshare workshop	505,449.59	339,863.00

15. PERSONNEL

This consists the following:

	2022	2021
Salaries and benefits	1,523,560.00	1,455,560.00
Legislated benefits	280,181.68	152,085.49
Medical benefits	192,906.63	128,839.66
Other contracted services	180,000.00	138,000.00
TOTAL	2,176,648.31	1,874,485.15

16. ORGANIZATIONAL EXPENSES

This consists the following:

	2022	2021
Foreign exchange losses	442,322.22	29,819.67
Office rent	298,400.00	276,000.00
Utilities	161,045.25	98,847.99
Audit fees/expenses	142,412.92	140,364.90
Local transportation	80,879.82	64,688.11

Postage & communication	67,071.03	78,558.23
Office and equipment supplies	21,355.25	26,854.10
Taxes, licenses and other expenses	16,521.75	17,789.24
Bank charges	3,051.85	3,941.21
Reproduction of materials	980.00	2,221.01
Representation allowance	150.00	2,798.00
Repairs & maintenance	-	70,319.73
Miscellaneous	10,400.00	-
TOTAL	1,244,590.09	812,202.19

17. RESTRICTED FUNDS

The Organization is a custodian of funds for humanitarian project consistent with its organizational objectives. These funds are specifically intended to finance designated projects and accordingly, are accounted for separately from its general-purpose fund. These are carried as 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:

	2022	2021
C.S. Mott Foundation	16,380,536.69	11,898,944.84
Heinrich Boell Foundation	1,437,550.70	1,006,251.70
Social and Environmental Entrepreneurs, Inc. (FPOS/SEE)	-	159,068.88
Rockefellers Philanthropy Advisors	-	37,377.32
11.11.11 Coalition	26,609.16	-
European Climate Foundation	(1,385,328.55)	2,569,687.12
TOTAL	16,459,368.00	15,671,329.86

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Organization for years ended December 31, 2022 and 2021 were approved by the board of trustees and authorized for issue on March 29, 2023 and March 22, 2022 respectively.

MANY THANKS TO OUR PARTNERS



C.S. Mott Foundation



**European Climate
Foundation**



11.11.11 Coalition



Fair Finance Asia



**Heinrich Boell
Foundation**

POST SCRIPT

2 022 was our recovery year as we slowly returned to our normal work routines, emerging from the pandemic. It needs to be underscored that, during this challenging time, we at the NGO Forum on ADB prioritized safety and health above all else. The Forum membership and secretariat suffered personal losses and are still grieving.

From the Forum International Secretariat, we continued to advocate for both ADB and AIIB virtually. This included engaging in online policy advocacy efforts during the ADB SPS consultation process and the AGMs of both banks. Finally, we managed to convene our FAM face to face (despite security challenges), and our group photo taken in Bali became an iconic representation of our strength and collective resilience.

Looking back at what was achieved in 2022, I am personally overwhelmed by the strength, solidarity, and determination of every single person working at the NGO Forum on ADB. Members worked around the clock, scheduling meetings across difficult time zones, constantly supporting each other to ensure we made it to the ED meeting or that we communicated our positions to the media with impact and on time.

We also successfully reoriented our planning for our Safeguards, Energy, and Communications work, effectively translating our campaigns into the digital sphere. The Bali FAM was also instrumental in assessing new areas of work, such as the Early Transition Mechanism, and further solidifying the foundations of our strategy for 2030.

The Forum IC has remained steadfast and has supported the Forum secretariat in all challenging decisions, keeping the overall network on track to achieve our Campaign Objectives as outlined in our Operational Plan for 2022.

While the annual report provides a detailed account of all the work we have done, all I have to say here is – Thank you, thank you to each and every one of you. You have gone above and beyond for the NGO Forum on ADB, not only surviving but thriving in 2022!

I have no doubts that as we enter 2023, the NGO Forum on ADB will only grow stronger, holding the Asian Development Banks accountable for years to come.

Sincerely,

Rayyan Hassan
Executive Director
NGO Forum on ADB

TRIBUTE TO OUR DEAR FRIEND SANDRA SMITHEY



Sandra, a beacon of wisdom and inspiration, was not only a long-time advisor and leading thought-partner in the international development finance reform community but also a cherished friend to the NGO Forum on ADB. Her presence filled our lives with warmth, and we deeply miss her infectious charm, contagious laughter, and indomitable spirit.

Her legacy is etched in our hearts, as she embodied a rare combination of unwavering rigor and boundless passion. Sandra's commitment to responsive, sustainable, and pro-poor development was truly extraordinary, driven by a profound desire to empower communities and provide them with real, tangible benefits. Her vision encompassed vital aspects like renewable energy and human-centered infrastructure, all aimed at creating a world where every individual thrives.

What set Sandra apart was her genuine concern for the voices of those on the frontline – the advocates in communities facing real challenges. Her work revolved around ensuring that the global development community understood and learned from these lived experiences, shaping policies that truly responded to the needs of the most vulnerable.

In a fitting tribute to her remarkable legacy, the NGO Forum on ADB established the Sandra Smithy Community Emergency Fund. This fund stands as a beacon of hope, offering emergency relief to communities across Asia facing environmental crises. It is a testament to Sandra's enduring spirit, as we continue to carry her passion and dedication in our hearts.

As we press on with our advocacy work, we remain steadfast in pursuing her dream of a just and equitable world. Sandra's vision ignites our determination to create lasting positive change, to fight for the marginalized, and to foster a world where every person's rights and dignity are upheld.

Sandra, you may no longer be with us in person, but your impact on our lives and the lives of countless others will resonate forever. We are forever grateful for the time we shared, for the inspiration you bestowed upon us, and for the lasting imprint you've left on the path we tread.

In your memory, we pledge to honor your legacy by tirelessly advocating for a better world – a world that reflects the values you held so dear. We will keep the torch of compassion burning bright and carry your dreams with us every step of the way.

Thank you, Sandra, for touching our lives in ways words can't fully express. Your light shines on, guiding us as we strive for a future that embodies the true essence of justice and compassion.

With boundless love and respect,

NGO Forum on ADB and friends



La Residencia Bldg, 114 Maginhawa, Diliman, Quezon City, 1100 Metro Manila
+632 8436-1858 | +632 8921-4412
www.forum-adb.org