Asian Development Bank Primer

With special reference to the water and sanitation sector and WaterAid countries in Asia

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About this Primer

What is this primer?

The primer is a resource for WaterAid and partner staff and other CSOs in the sector to use when engaging with the ADB. It is split into 7 parts.

- Chapter 1, *Why is it important for WaterAid and its Partner Organisations to understand the ADB?,* presents some facts and figures on the scale of ADB investment in water and sanitation and the influence it has on the sector.
- Chapter 2, *The Structure of the ADB and How it Takes Decisions,* explains what the ADB is, how it is organized and how it takes decisions.
- Chapter 3, *Where does ADB get its money from and how does it lend it?,* explains ADBs sources of funding and lending mechanisms, including the Country Strategy and Programme process.
- Chapter 4, *The ADB Project Cycle and Documents Produced at Various Stages*, is self explanatory.
- Chapter 5, *The ADB Policy Framework*, introduces ADB's water policy and other relevant policies.
- Chapter 6, *Parts of the ADB involved in Water Supply and Sanitation,* provides information on sections within the organization involved in the sector and ongoing initiatives.
- Chapter 7, *Civil society and the ADB*, looks at the major concerns of CSOs regarding the ADB, gives some information on how CSOs influence ADB and provides a brief introduction and contact details for some CSOs engaged in monitoring and lobbying ADB.

Who is it designed for?

The primer had been written for WaterAid Country Programme and Partner staff in Asia. It may also be useful for other NGOs in the region working on similar issues and for other WaterAid staff who plan to engage with other regional development banks, such as the African Development Bank.

What is its purpose?

WaterAid has identified ADB as an advocacy target and envisages long term engagement with ADB. The purpose of the primer is to deepen understanding of WaterAid and Partner staff regarding the ADB, its work in the WSH sector and ways of engaging the ADB. This knowledge will enable staff to engage with the ADB from a more informed position. In addition to the information provided in the primer, links and references are given for people wishing to learn more about the ADB and civil society monitoring and lobbying activities.

How was it produced?

The material in the primer is a compilation of material from many sources. All materials are referenced. Material from various toolkits on the ADB has been tailored to focus on the water sector and WaterAid's working countries. Some information was provided by ADB staff and staff of CSOs monitoring the ADB. The document has been edited and fact checked by the Bank Information Center.

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CHAPTER 1

Why is it important for WaterAid and partner organisations to understand the ADB?

Box 1.1 Key Points

- ADB provides around US$6 billion per year to its Developing Member Countries.
- In 2002/03 the average loan amount was $72 million.
- In the water sector ADB's annual investment was estimated at US$ 924m, around 15% of total lending (2002/03).
- As of December 2000, WATSAN accounted for $4 billion of ADB funding, constituting 5% of total lending.
- Because it invests so much ADB has influence over Developing Member Country's development priorities and policies.
- Most investments are in the form of loans which need to be repaid, even if projects are not successful.
- ADB is emerging as a source of 'development knowledge' on water issues in the region.

1.1 Because ADB invests a lot of money in the countries where WaterAid works and in the water and sanitation sector

Multilateral Development Banks (MDBs) are the largest source of development finance in the world, typically lending between US$ 30 to 40 billion to low and middle income countries each year. The ADB provides around US$6 billion per year to its Developing Member Countries (DMC), making it the third largest donor in the Asia-Pacific region after the Japanese government and the World Bank. ADB lending to infrastructure is expected to increase in the coming years, possibly also in the WSS sector.

To get a sense of the scale of the ADB operations take a look at the official figures from the 2003 annual report. In 2003, ADB approved 85 loans and 2 equity investments valued at $6.1 billion and 315 Technical Assistance (TA) operations valued at $176.5 million. The average loan amount was $72 million.

In 2003 India borrowed the most from ADB, $1.5 billion or 25% of all loans approved.

Table 1.1 Top 10 Borrowers from ADB in 2003

Position	Country	Amount borrowed ($ million)	% of total ADB loan approvals
1	***India***	***1,532***	***25%***
2	China, People's Rep. of	1,488	*24%*
3	***Pakistan***	***871***	***14%***
4	***Bangladesh***	***532***	***9%***
5	Sri Lanka	275	*5%*
6	Indonesia	262	*4%*
7	Philippines	184	*3%*
8	Viet Nam	179	*3%*
9	Afghanistan	150	*2%*
10	Uzbekistan	99	*2%*
	Other DMCs	488	*8%*
	Regional	45	*1%*
	Nepal	***94***	***2%***
	Total	**US$ 6.1 billion**	

Note – WaterAid working countries are marked in ***bold italics.***
Source – ADB Annual Report, 2003

The 4 WaterAid working countries accounted for 50% of total ADB loan approvals in 2003.

In 2003 most of ADB loans were for the Transport and Communications sector. Loans for WSS are categorized under Social Infrastructure and Multi-sector accounting for 18% and 7% of loans respectively. In 2005 the sector was reclassified as the 'Water Supply, Sanitation and Waste Management Sector', previously WSS had been classified as a sub-sector under the Social Infrastructure Sector.

Table 1.2 Sectoral Distribution of ADB Loans, 2003

S.N.	Sub-sector	No. of projects *	$ million	%
1	Transport and Communications	10	2,577	42%
2	Social Infrastructure	23	1,130	18%
3	Energy	8	756	12%
4	Finance	6	483	7%
5	Multi sector	5	465	7%
6	Agriculture and Natural Resources	10	391	6%
7	Others	4	299	4%
	Total	**66**	**6,104**	**100%**

* a project with multiple loans is counted as one project

Source – ADB Annual Report, 2003

The largest recipient country of TA grants in 2003 was India ($14.7 million or 12% of all TAs)[1].

Table 1.3 Top Recipients of ADB Technical Assistance, 2003

Position	Country	Amount ($ million)
1	***India***	***15***
2	China, People's Rep. of	13
3	Indonesia	12
4	Afghanistan	10
5	***Pakistan***	***10***
6	Viet Nam	9
7	Cambodia	6
8	Sri Lanka	5
9	***Bangladesh***	***5***
10	Philippines	4
	Other DMCs	35
	Regional	51
	Nepal	***4***
	Total	**175**

Note – WaterAid working countries are marked in ***bold italics.***

Source – ADB Annual Report, 2004

The ADB began assisting water projects in 1968. In the period 1968–2003, ADB implemented 481 projects in water sub-sectors with a total financing of $20 billion[2]. This funding has been allocated to nine different sub-sectors.

[1] ADB has pegged a target for loans of $2 billion to India in 2005 which would make India the largest borrower, overtaking China.

[2] http://www.adb.org/Water/Indicators/statistics-water-operations.asp (ADB website), July 2005.

Table 1.4 Water Sub Sector Lending

S.N.	Sub sector	Loans ($ million)	Percentage of total sector loans	No. of projects	Average loan size ($ million)	Year of first loan
1	Irrigation and drainage	5,516.44	27%	157	35.14	1969
2	urban water supply	4,150.17	21%	115	36.09	1968
3	Multi-sector projects	3,736.40	19%	70	53.38	1970
4	Hydropower	2,997.39	15%	57	52.59	1971
5	Wastewater management	1,082.20	5%	14	77.30	1982
6	Flood management	809.64	4%	14	57.83	1972
7	Water resource management	595.04	3%	18	33.06	1982
8	Rural water supply	641.61	3%	19	33.77	1977
9	Watershed management	559.78	3%	17	32.93	1977
	Total	**20,088.67**	**100%**	**481**	**41.76**	

Source – derived from ADB website, July 2005

ADB lending for water supply is focused on urban areas (115 urban projects versus 19 rural projects).

As of December 2000, WATSAN accounted for $4 billion of ADB funding, constituting 5% of total lending. In the water sector ADB's annual investment in 2003 is estimated at US$ 924 million in 2003 for 20 projects. A profile of water lending by sub-sector is available at www.adb.org/Water/Indicators/default.asp.

1.2 Because ADB has influence

This level of investment means that ADB has influence over its Developing Member Country's development objectives and policies. In some cases this influence may even be greater than that of the country's own elected officials. The level of influence differs from country to country and the scenario in WaterAid's working countries varies widely. For example in Nepal where donors fund 70% of the development budget, influence is greater than in India where donors fund only 1.5 to 2% of the development budget.

1.3 Because loans must be repaid and create a debt burden

Most of the investment made by ADB comes in the form of loans which have to be repaid, regardless of how successful the projects turn out to be. Loan repayment puts an increasing strain on governments in WaterAid working countries and eats up resources that could be invested in social sectors. For example, in Bangladesh,

government's debt service payments are 16 times greater than the extra money needed to meet the water and sanitation Millennium Development Goals[3].

1.4 Because ADB is becoming a regional knowledge centre on water and sanitation

The ADB is also developing a store of knowledge and analytical capacity on WSH, based on expertise and research. In the last few years the ADB has held two Water Weeks and sponsored the Water and Poverty initiative. Through these activities it is establishing itself as a primary source of development 'knowledge' regarding water in the region. This knowledge is made available to DMCs in the form of policy advice.

While many civil society groups have focused on making international financial institutions – particularly the World Bank - introduce social and environmental policies and increase space for civil society participation, little attention has been paid to the ADB, largely because it has kept a low profile. However, given the role it is playing in the region, it deserves greater attention from civil society.

To sum up, because of the size of its total investment and that in the water sector, the influence it has on countries' development priorities, the financial implications of its lending and its emerging position as a source of 'development' knowledge regarding water issues, ADB is an institution WaterAid should be engaging with. However, in order to advocate effectively, we need to better understand the ADB.

[3] WaterAid – National Water Sector Assessment, Bangladesh, WaterAid 2005.

CHAPTER 2

The Structure of the ADB and How it Takes Decisions

Box 2.1 Key Points

- The ADB is a Multilateral Development Bank whose overarching goal is poverty reduction. It provides developing countries with financial support (through low-interest, long-term loans and grants) and advice on economic and social development.
- The ADB has 64 Member Countries, 45 from within the Asia-Pacific region of which 42 are borrowing countries, referred to as Developing Member Countries (DMC).
- Each member county is represented on the Board of Governors.
- The Board of Governors elects a 12-person Board of Executive Directors, who are nominated by their respective governments. Representation on this board is determined by the level of financial contribution to the ADB, therefore richer countries have more influence.
- Because the ADB is owned by many countries, decision making is complex. A country's voting power is determined by its level of contribution to the Bank. The 42 Developing Member Countries, the borrowing countries, account for 45% of voting power and non-borrowing countries have 55% of the voting power.
- The less influential countries are grouped into constituencies and the constituency is represented by an Executive Director (ED) and an Alternate Executive Director (AED). Within the constituency countries that make the largest contributions hold the ED and AED positions.
- Between them the 4 WaterAid working countries hold around 9% of voting rights.
- Below the executive level the Bank is organized into departments, including 5 regional departments for managing operations. All WaterAid working countries fall within the South Asia regional department.
- Water sector projects are managed by the 'Agriculture, Environment and Natural Resources' or the 'Social Sectors' Divisions. As these divisions exist in each of the 5 Regional Departments, water sector projects are managed by 10 separate divisions.

2.1 What is the ADB?

The ADB is a Multilateral Development Bank (MDB). MDBs provide developing countries with financial support (through low-interest, long-term loans and grants) and advice on economic and social development. They are multilateral in the sense that many countries make contributions in order to be members (shareholders).

The Asian Development Bank was established in 1966 and now has 64 members both from within and outside the Asia-Pacific region, up from 31 members at establishment. All current ADB members are also members of the IMF and World Bank. Of the 64 members there are 42 recipients or **borrowing countries**, referred to as Developing Member Countries (DMC), all from the Asia-Pacific region.

The ADB's stated overarching goal is poverty reduction. Other objectives include promoting economic growth, supporting human development, improving the status of women and protecting the environment.

2.2 What services does it provide to its members?

The ADB provides the following services to its Developing Member Countries:

- Provides loans and equity investments;
- Provides Technical Assistance (TA) for planning and implementation of development projects and for advisory services;
- Promotes and facilitates investment of public and private capital for development;
- Assists DMCs coordinate development policies and plans.

2.3 Who owns the ADB?

ADB is owned by its 64 member countries, 46 of which come from within the region and 18 from outside.

2.4 What is the Board of Governors and what does it do?

Each member country is represented on the **Board of Governors**, the highest decision making body in the ADB. Each member country nominates one **Governor** and one **Alternate Governor** to vote on its behalf. A list of governors and alternate governors for the countries in which WaterAid works is presented in Table 2.1 below. These Governors are normally high-level officials from a country's Ministry of Finance. The Governors meet once a year at the Annual General Meeting held in May. Governors have a limited role in the day-to-day management of the ADB – their role is limited to approving country memberships and issuing statements on the bank's performance. However the Governors have decision making authority over the EDs.

Table 2.1 Names, positions, and contact information of ADB Governors and Executive Directors in Water Aid working countries

Position	Bangladesh	India	Nepal	Pakistan
Governor	Saifur Rahman, Minister of Finance and Planning	P. Chidambaran, Minister of Finance	Roop Jyoti, State Minister of Finance	Omar Ayub Khan, Minister of State for Finance
Alternate Governor	Ismail Zabihullah, Secretary of Economic Relations Division, Ministry of Finance	A K Jha, Secretary Economic Affairs	Bhanu Prasad Acharya, Secretary, Minister of Finance	Khalid Saeed, Secretary, Economic Affairs Division
Executive Director	Ashok Saikia (India) asaikia@adb.org	Ashok Saikia (India) asaikia@adb.org	Chaiyuth Sudthitanakorn (Thailand) chaiyuths@adb.org	Martina Magpili-Jimenez (Phillippines) mmjimenez@adb.org
Alternative Executive Director	Nima Wangdi (Bangladesh) nwangdi@adb.org	Nima Wangdi (Bangladesh) nwangdi@adb.org	Sein Tin (Myanmar) stin@adb.org	VACANT (Pakistan)

Source - ADB website, February 2005

2.5 What is the Board of Directors and what does it do?

The Board of Governors elects a 12 member **Board of Executive Directors** and each **Executive Director** (ED) appoints an **Alternate Executive Director**. Executive Directors normally serve a two year term and are appointed by their government from within the finance ministry. ED's are assisted by Development Advisors and support staff. Of the 24 Executive Directors and Alternate Executive Directors presently there are 23 males and one female.

Eight members of the Board of Directors are elected by member countries from within the region and the other four are elected by members from outside the region. Six of the twelve ED positions are filled by donor country representatives and six by borrowing country representatives. A country's financial contribution to ADB determines its representation on the Board of Executive Directors, with Japan, America and China contributing enough to have their own representatives on the Board. Smaller countries are grouped together in constituencies and represented by an ED. **Pakistan** is part of the constituency including Kazakhstan, Maldives, Marshall Islands, Mongolia and the Philippines (Pakistan and the Philippines trade ED and AED positions every 2 years). **Bangladesh** and **India** are part of the constituency including Bhutan, Lao People's Democratic Republic and Tajikistan. **Nepal** is part of the constituency including Malaysia, Myanmar, Singapore and Thailand (ED and AED positions rotate in this constituency – Nepal held the AED position in 2003/04). In recognition of the size of its shareholding India always holds the ED position for its constituency, as does Australia.

The number of countries represented by Executive Directors ranges from 1 to 10. Countries clustered together in constituencies have to share one ED office and communicate their views through their shared ED. EDs work full time at the ADB

offices in Manila and meet twice a week to make decisions on all loans and Technical Assistance grants over US$1 million.

Table 2.2 ADB Board of Directors

S.N.	Executive Director	Alternative Executive Director	Member Countries Represented/Constituencies
Asia-Pacific Region			
1	Masaki Omura	Atsushi Mizuno	**Japan**
2	Agus Haryanto	Richard Stanley	Cook Islands; Fiji Islands; **Indonesia**; Kyrgyz Republic; **New Zealand**; Samoa; Tonga
3	Xiaosong Zheng	Xiaolong Mo	**People's Republic of China**
4	*Marita Magpili-Jimenez*	*VACANT*	*Kazakhstan; Maldives; Marshall Islands; Mongolia;* ***Pakistan****;* ***Philippines****; Timor-Leste*
5	*Ashok Saikia*	*Nima Wangdi*	*Bangladesh;* ***Bhutan****;* ***India****; Lao People's Democratic Republic; Tajikistan*
6	*Chaiyuth Sudthitanakorn*	*Sein Tin*	*Malaysia;* ***Myanmar (Burma)****; Nepal; Singapore;* ***Thailand***
7	Stephen Sedgwick	Richard Moore	**Australia**; Azerbaijan; Cambodia; Hong Kong, China; Kiribati; Federated States of Micronesia; Nauru; Solomon Islands; Tuvalu
8	Chol-Hwi Lee	Batir Mirbabayev	**Republic of Korea**; Papua New Guinea; Sri Lanka; Taipei,China; **Uzbekistan**; Vanuatu; Viet Nam
Outside the Region			
9	Michele Miari Fulcis	Niklaus Zingg	**Belgium**; France; **Italy**; Portugal; Spain; Switzerland
10	Emile Gauvreau	Pasi Hellman	**Canada**; Denmark; Finland; Netherlands; **Norway**; Sweden
11	*Volker Ducklau*	*David Taylor*	*Austria;* ***Germany****; Luxembourg; Turkey;* ***United Kingdom***
12	Paul W. Speltz	Troy Wray	**United States**

Source - ADB website, August 2005

Notes – constituencies for WaterAid working countries are marked in italics. The Executive Directors and Alternate Directors are from the countries highlighted in **bold text.**

2.6 Who are the Presidents?

The Board of Governors also elects the President, for a term of five years, with the possibility of re-election. The President chairs the Board of Executive Directors and follows its directions in conducting the business of ADB. The President is supported by 4 Vice Presidents, one for Knowledge Management and Sustainable Development, two for Operations and one for Finance and Administration (see org chart at Annex A).

The ADB Charter states that the President must be from a regional member country and is traditionally from Japan, the largest regional shareholder. This is part of an unofficial agreement to carve up leadership of global multi-lateral institutions. Under this arrangement America has leadership of the World Bank, a European heads the International Monetary Fund and Japan leads the ADB. The ADB Vice President positions are traditionally carved up between Europe, USA and Asia.

2.7 Who are the ADB employees?

The number of ADB staff from each member country is determined in a similar way to voting rights - countries making the greatest contribution have more staff. This means that people from Japan and United States hold more than a quarter of professional staff positions.

2.8 Are the Executive Directors important?

Yes, because they are the principal means by which governments can oversee the ADB's policies. Acting through the Executive Directors, governments have the power to turn down a loan proposed by the ADB's management. ED's have the power to reject/approve loans over $1 million, which is the majority of the loans.

2.9 Can WaterAid and partners influence Executive Directors?

The Executive Directors are high level actors however they can be influenced. Any advocacy input at this level is for raising awareness of people's concerns and providing evidence-based feedback on policies and projects. EDs were successfully influenced by CSOs during formulation of the Indigenous People policy and the Public Communications policy.

2.10 How is ADB organized below executive level?

Country operations are organized into 5 **regional departments** (East and Central Asia, Mekong, Pacific, South Asia and South East Asia). All of WaterAid's working countries fall within the **South Asia** regional department which is made up of eight countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka). Each regional department is headed by a **Regional Director General** who is supported by a **Regional Management Team** and **Country Teams**.

Regional departments consist of **divisions** which are organized by the type of projects they develop and implement (see Table 2.2 below). Divisional staff are the authors of ADB projects and are then responsible for overseeing projects throughout the project

cycle. Each project will have a **team leader** and these staff will be the most knowledgeable staff about particular projects. The name and contact information of team leaders is given in the project profiles on the ADB website at http://www.adb.org/Projects/profiles.asp. The profiles should be regularly updated by the ADB; if they are not, latest information can be requested from ADB's InfoUnit by emailing disclosure@adb.org. The names and contact information for team leaders for planned and on-going WSS projects in WaterAid working countries are attached at Annexes B and C.

Table 2.3 Divisions within regional departments and the type of projects implemented

Division	Types of Projects
Infrastructure	Roads; hydropower; power transmission
Agriculture, Environment and Natural Resources	Irrigation; agriculture; livestock and fisheries
Social Sectors	Health and education projects
Governance, Finance and Trade	Financial sector reforms promoting greater market liberalization

Water sector projects are managed by either the 'Agriculture, Environment and Natural Resources' or the 'Social Sectors' Divisions. As these divisions exist in each of the 5 Regional Departments, water sector projects are managed by 10 separate divisions.

Other key departments in the ADB include:

- The **Accountability Mechanism** - comprised of two offices, the **Office of the Special Project Facilitator** (OSPF) and the **Office and the Compliance Review Panel** (OCRP). Accepts cases (projects and programmes) for independent review. OSPF reports to the President of the ADB and OCRP reports to the Board.
- The **Anticorruption Unit** – housed within the **Office of the Auditor General**, investigates allegations of fraud and corruption in ADB operations.
- The **Operations Evaluations Department** – an independent (independent of ADB management but not an external agency) department reporting to the Board of Directors and not the President, evaluates the performance of completed loans and Technical Assistance.
- The **Private Sector Operations Department** – provides direct assistance to private sector projects focusing primarily on financial sector and infrastructure initiatives.
- **Regional and Sustainable Development Department** – responsible for monitoring ADB's compliance with its own policies and guidelines. The Comprehensive Water Policy Implementation Review was organized by this department.
- **Strategy and Policy Department** – oversees the development and review of ADB policies, oversees policy and operations coordination, provides ADB's

medium and long term strategic direction and maintains links with the international development community.

- **Office of External Relations** – disseminates information on ADB operations to improve awareness and understanding of the ADB. It is also the implementing department of ADB's disclosure policy.
- **NGO centre** – located with the Regional and Sustainable Development Department, helps ADB strengthen cooperation with civil society.

ADB has Resident Missions (RMs) in many of its Developing Member Countries (including WaterAid working countries). Officers in the RMs oversee the implementation of ADB projects. However ADB had not fully decentralized project implementation and management functions and usually HQ staff are responsible for projects.

2.11 Which staff should WaterAid and partners deal with in order to exert influence?

Executive Board members are supposed to be accountable to the citizens of the countries they represent and therefore citizens should contact these people to raise concerns. **Team leaders** (equivalent to Task Managers in the World Bank) can provide information on projects and are responsible for overall project management and ensuring projects are implemented in line with ADB's policies and procedures. The **Regional and Sustainable Development Department** is responsible for overall compliance and is the "knowledge" department within ADB. RSDD also houses the ADB's environment and social safeguards division and has the Chief Compliance Officer. **Director Generals** are responsible for making sure their staff is complying with ADB policies and procedures and can be held accountable for the quality of loans and Technical Assistance provided by their department.

2.12 Who takes decisions at the ADB and how?

Because the ADB is owned by many countries, decision making is complex. The size of financial contribution made by a country (its shareholding) determines its share of the vote. This system is referred to as "one dollar, one vote" and is unlike the United Nations system of "one nation, one vote".

This means that richer nations have much greater influence at the ADB. Japan and the United States have the largest voting power and between them they share more than a quarter of voting power (around 13% each). The next largest holders of voting power are China (6%), India (5%), Australia (5%), Indonesia (5%) and Canada (5%). Together these 7 countries hold over 51% of voting power and the remaining 49% is divided up among the other 56 members. By contrast, Nepal contributes 0.15% of shares which gives it 0.44% of the vote. Countries from within the region have a 65% share of voting rights and countries outside the region have a 35% share (see Annex D). The 42 Developing Member Countries, the borrowing countries, account for 45% of voting power and non-borrowing countries have 55% of the voting power. China and India have major influence at the ADB because without their borrowings the Bank would lose significant business. So with DMCs having 45% vote, as a bloc they can be quite influential when it comes to voting.

Table 2.4 Voting power in WaterAid Working Countries

Developing Member Country	Year of Membership	Subscriber capital (% of total)	Voting power (% of total)	Position on Board
India	1966	6.402	5.439	ED chair
Pakistan	1966	2.203	2.080	Alternating – gets ED and AED chair
Bangladesh	1973	1.032	1.143	Had AED chair until India removed it
Nepal	1966	0.149	0.436	Had AED chair in rotation with others in constituency

Source – ADB website 2005

2.13 Why is governance important?

With non-borrowing countries holding the majority of voting power the governance system marginalizes the countries receiving ADB assistance (however this is more balanced than at the World Bank). There are calls to revise this governance structure so that borrowing countries have a greater say in the policies applied to assistance they receive and improve democratic accountability.

CHAPTER 3

Where does ADB get its money from and how does it lend it?

Box 3.1 Key Points

- ADB raises funds for its operations by issuing bonds, from loan repayments, from contributions from donor countries and by co-financing.
- Three quarters of loans are from the Ordinary Capital Resources and have interest rates set by the market and 15-25 year repayment periods.
- A quarter of loans are from the Asian Development Fund at concessional rates (1-1.5%) for 32 years. 24 of the "poorer" member countries (57%) are eligible for these loans.
- ADB lending for India is from the Ordinary Capital Resources (OCR), the non-concessional loans, and lending for Nepal is from the Asian Development Fund (ADF). Lending for Bangladesh and Pakistan is from both the OCR and the ADF.
- There are three main types of loans – loans for public projects (most investment loans), program loans for sector work and loans for private sector projects.
- Technical Assistance (TA) is provided for identification, preparation and implementation assistance for projects and programmes. TAs are normally in the form of a grant but can also be loans.
- Loans have to be repaid, even if ADB rates the projects as unsuccessful.
- In exchange for receiving loans from the ADB, governments agree to carry out certain actions or implement specific policies – this is referred to as conditionality.

3.1 How does ADB raise funds?

ADB raises funds for its operations by,

- **Issuing bonds on the market** – ADB has a triple-A rating and raises around US$ 5 billion a year from issuing bonds.
- **Loan repayments from its borrowing members** (which includes taxpayer money from citizens in borrowing countries).
- **Contributions from its donor countries** (which includes taxpayer money from citizens in donor countries).
- **Mobilizing funds through co-financing** (either from commercial banks, financial institutions, development partners or other multilateral institutions).

3.2 Where does ADB lend from?

ADB has 5 areas (or investments) from which it can lend:

Ordinary Capital Resources (OCR) - consists of contributions from member countries, reserves and money borrowed from capital markets. Loans from OCR comprise almost 75% of ADB lending. Loans from OCR are only made to comparatively "more-developed" countries, able to repay the debt. These loans are not concessional and interest rates are set by the market (typically over 5% per annum[4]), and are payable for 15-25 years. ADB loans to India are from the OCR.

Asian Development Fund (ADF) - Donors pledge money to the ADF and these "replenishments" happen every four years. Currently the 9th Replenishment (2005 to 2008) is running. At replenishments donors negotiate on the amount of their contribution and the conditions they wish to set. In this respect ADF loans are limited in number. Around a quarter of ADB lending is from the ADF. Loans are made to the 24 "poorest" member countries with "low debt repayment capacity" at concessional rates (1-1.5% interest[5]) with grace periods and long repayment periods (they have a 32 year maturity period). ADB loans to Nepal are from the ADF.

ADB loans to Bangladesh and Pakistan are from both the ADF and OCR. This is because these are lower income member countries that qualify for ADF loans, but are already in the upper portion of their bracket and thus are lent OCR loans as well.

In 2003, lending for 33 loans comprising $4.5 billion was from Ordinary Capital Resources (74% of lending[6]) and 47 loans comprising $1.4 billion from the Asian Development Fund (23% of lending).

Technical Assistance Special Fund - consists of donations from member countries and surplus money from interest paid to the OCR. This Fund is used for grants for Technical Assistance. For example, the Project Preparation Technical Assistance for the Karnataka Urban Development Project Phase 3, costing $400,000 is being funded from the TASF.

Japan Special Fund and the **Japan Fund for Poverty Reduction** – these are provided by Japan for Technical Assistance and are grant funding. All disbursement from the JSF are subject to approval from the Japanese government - in effect this is an

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4 For ADB's OCR (Ordinary Capital Resources) loans, lending rates are based on market rates, such as the LIBOR rates. LIBOR is an abbreviation for the "London Interbank Offered Rate," and is the interest rate offered by a specific group of London banks for U.S. dollar deposits of a stated maturity. For example, the 1 year LIBOR rate is currently at 3.9% (http://www.interestonlyloans.com/mortgage.html?WT.srch=1). Since July 2002 LIBOR-Based Loan (LBL) is the only product offered by the ADB from OCR (http://www.adb.org/Finance/LIBOR/default.asp). Usually, the borrower has a choice of taking the loan in one of three currencies offered – euro, yen, and US dollar. OCR lending rates are set using the 6-month LIBOR rate plus a fixed spread (currently at 0.6%), which is reset every six months. LIBOR-based loans have a floating interest rate until the borrower requests for fixing (http://www.adb.org/Documents/Brochures/LIBOR/term.pdf).

5 Despite lending money through the ADF at concessional rates these loans are on-lent by governments at higher rates and in some projects interest rates of 14% are charged to end users.

6 Total lending in 2003 was $6.1 billion.

extension of Japanese bilateral aid. For example, the Project Preparation Technical Assistance for the Secondary Towns Water Supply and Sanitation Project in Bangladesh, costing $800,000, is being funded by the Japan Special Fund.

3.3 How does ADB lend money?

ADB lends to governments and to public and private enterprises in its Developing Member Countries (DMCs). The main tools used are **loans** and **Technical Assistance** for planning and execution of development projects/programs and for advisory services. Interest rates on loans are lower than offered by commercial banks. For all loans provided by ADB the borrowing country must also contribute counterpart funds. The ADB contribution is normally the greater and the government counterpart funds are often paid in the form of office space and staff appointed to a project.

Loans are made in Special Drawing Rights (SDR). SDR is a basket of currencies, created by the IMF in 1969 to facilitate international trade. Currently, the basket of currencies is comprised of the euro, the pound sterling, the Japanese yen, and the US dollar. The amounts of each currency making up one SDR are chosen in accordance with the relative importance of the currency in international trade and finance. The value of one SDR in terms of the US dollar is determined daily by the IMF, based on the exchange rates of the currencies making up the basket, as quoted at noon at the London foreign exchange market. On June 29, 2005, SDR 1 was equal to US$ 1.45914 (http://www.imf.org/external/np/fin/rates/rms_sdrv.cfm).

There are three main types of loans –

Loans for public sector projects – most ADB loans fall into this category and normally these are large infrastructure initiatives, including water and sanitation.
Program loans – governments are given a lump sum loan to help them support policy reforms in a particular sector.
Loans for private sector projects – loans normally provided for infrastructure and financial sector projects.

ADB also provides **Technical Assistance** for identification and preparation of projects and programmes. These are normally in the form of a grant but can also be loans. There are four categories of TA:

1. **Project Preparatory Technical Assistance** for the preparation of feasibility studies and other assessments.
2. **Project Implementation Technical Assistance** for consulting services for project implementation and staff training.
3. **Advisory Technical Assistance** for institutional strengthening and sector and policy studies.
4. **Regional Technical Assistance** for addressing regional issues.

3.4 Difficulties in loan repayment

In the case of water and sanitation projects, and many other sectors, it is normally very hard for governments to repay loans from project revenues - for example the rural water supply and sanitation projects in Nepal have no chance of returning a profit. This means that loan repayments have to be met from development budgets. As loan portfolios mature, this results in huge transfers out of developing countries as repayments are made. For example in Nepal in 2002/03 debt servicing was equivalent to 26.3 percent of the annual government revenue. Loans have to be repaid even if projects are unsuccessful. ADB's Operations Evaluation Department rates only 62% of loans as successful (ADB website – derived from PPARs and PCRs containing a rating circulated as of 31 December 2003). Even for projects given a rating of "successful", research has shown that there can be considerable failures in a project (see *The Asian Development Bank: In Its Own Words*, Environmental Defence, 2003).

3.5 What is "conditionality" and where does it fit into these processes?

Conditionality began to arise when the Multilateral Development Banks began to insist that the lessons they had learned should be applied as a condition of their support. Conditionality involves a set of actions that governments must take in order to comply with ADB loans. In exchange for receiving loans from the ADB the government agrees to carry out certain actions or implement specific policies detailed in the project documents and loan agreements. Through these conditions the ADB imposes a certain view on how it thinks WSS services should be managed. It could, for example, insist on private sector management, as in the case of Kathmandu.

Box 3.2 An Example of Conditionality from the Kathmandu Valley

In the Kathmandu water supply and reform programme, in which ADB is the lead donor, donors are insisting that the management of the valley's water supply be handed over to the private sector. Until this condition has been met donors will not release funds for construction of the Melamchi tunnel, designed to bring more water to the valley. The ADB's Report and Recommendations to the President for the project states:

"ADB will not approve any proposal for award of civil works contract for the project tunnel until the following conditions have been met:
(iii) the Government awards a private sector lease contract under internationally competitive procedures to a private operator in respect to the leased water supply and wastewater assets in the Kathmandu valley".

3.6 What types of ADB conditions are there?

Four types of conditions have been identified in ADB projects.

1. **Conditions for loan effectiveness** – must be implemented before loan disbursement begins.

Example
"The Borrower shall have informed the Bank of its Cabinet's decision to implement the Rural Water Supply and Sanitation Sector Strategy and action plan" (Community Based Water Supply and Sanitation Sector Project, Nepal).

2. **Conditions for Award of Contract** – must be met prior to award of contract.

Example
"ADB will not approve any proposal for award of civil works contract for the project tunnel until the following conditions have been met:
(ii) the Government enacts a law on the establishment and establishes the National Water Supply Regulatory Body in accordance with the Government's strategy for water supply and wastewater management in Kathmandu Valley". (Melamchi Water Supply Project, Nepal).

3. **Specific Assurances** – actions the government has committed to undertake.

Example
"The state will reduce water supply subsidies and achieve financial sustainability of the water supply systems in the project Urban Local Bodies by action including …. (b) increasing water tariffs by an average of 50 percent for all consumer categories by April 2001 and 100 percent on the then prevailing rates by April 2005". (Karnataka Urban Development and Coastal Environmental Management Project, India).

4. **Covenants** – clauses in the loan agreement which set out how the project will be executed. Compliance against these covenants is monitored during appraisal missions.

Example
"The Borrower shall ensure that during the Project implementation period, the Department of Water Supply and Sewerage implements a comprehensive human resources review. Such review shall take into account the revised role of the DWSS". (Community Based Water Supply and Sanitation Sector Project, Nepal).

3.7 Why do governments accept conditionality?

Governments accept conditionality because these are the terms attached to finances borrowed. They often have little choice but to accept the conditions stipulated because they are desperate for the foreign exchange needed to implement various programmes and usually cannot get this money from private sources. However the conditions are not always implemented. For example in the Karnataka Urban Development and Coastal Environmental Management Project there is a condition that water tariffs must be increased by 100% by 2005. Yet tariffs have not been raised. Whether or not conditions are accepted, and subsequently implemented, depends on the negotiating power of the country – India has significant negotiating power as it provides the Bank with a lot of business. During ADB appraisal missions there is frequent negotiating regarding compliance with conditions.

3.8 What do donor governments gain from contributing money to the ADB?

Critics of the ADB believe that donor governments contribute to the ADB in order to receive business for national firms (tied aid). For example contracts provided to Australian firms working on ADB projects are reported to outweigh Australian government contributions to the ADB. Critics also believe that this is one of the reasons for the strong emphasis on the private sector in MDBs.

3.9 What is a Country Strategy and Programme?

Every borrowing country has a Country Strategy and Programme (CSP), which defines the ADB's medium-term development strategy for a country. A CSP is prepared once every five years and is updated annually (updates provide an assessment of implementation and the operational programme for the next 3 years). CSPs and updates are available on the ADB website at http:/www.adb.org/Documents/CSPs. The CSP lays out ADB's country-specific poverty reduction strategies, thematic/sector priorities, and lending levels. CSPs are discussed here because they provide a framework for ADB lending. Only projects and programmes that appear in the CSPs can be supported by ADB lending.

CSPs are supposed to be prepared through a consultative process including government, civil society, the private sector and other stakeholders. CSPs are supposed to reflect the priorities set out in the ADB's Long-term Strategic Framework, Medium Term Strategy and the Poverty Reduction Strategy, and be line with the development objectives of the country.

3.10 How is a Country Strategy and Programme prepared?

The CSP process is initiated 9 to 12 months before the existing 5 year CSP expires and follows a 9-step process.

Table 3.1 Steps in the Country Strategy and Programme preparation

S.N.	Step	Duration	Activities
1	Pre-CSP analysis and assessments	6 to 8 months	• assessments prepared including economic growth analysis, poverty analysis and thematic analysis (gender, governance, environment, private sector).
2	CSP preparation - stock taking meeting	2 weeks	• preparation of status report containing rationale for the new CSP (if not on 5 year schedule), proposed method for evaluation and stakeholder consultation and names of team members.
3	Updating of Pre CSP analysis and assessments	4 to 6 weeks	
4	CSP Initiating Paper Preparation (CIP)	1 month	• preparation of CSP Initiating Paper (CIP) which discusses key development issues, proposed strategic focus of ADB operations and timeframe for CSP preparation and team members.
5	CSP Initial Consultation	2 weeks	• draft CIP is discussed with stakeholders (government, civil society, private sector, other donors).
6	CSP Initiating Meeting and updates	1 week	• meeting chaired by ADB Regional Vice President • ADB takes decisions on strategic focus of ADB operations.
7	Updating sector and thematic roadmaps	4 to 6 weeks	• updated Roadmaps and Concept Papers prepared and co-financing possibilities discussed (roadmaps and concept papers are included as annexes in the CSP).
8	CSP Mission	3 to 4 weeks	• country visited by ADB Country Team • consultation with stakeholders • agreements signed with government on assistance programme, sector/thematic selection, geographical focus, goals, targets.
9	CSP Finalisation	13 weeks	• first draft CSP discussed in ADB's Management Review Meeting and revised as per comments • second draft CSP sent to government for endorsement • edited CSP circulated and approved by Board • approved CSP is publicly disseminated.

CSPs follow a standard format, described below.

Table 3.2 Content of Country Strategy and Programme documents

Section	Content
Development Trends and Issues	• brief description of country's economic, political and social development
Government's Development Strategy	• DMCs long-term goals, medium-term objectives, and development programme • explanation of how development plan will be financed, including external assistance required • ADB assessment of DMC's development strategy and feasibility of implementing it
ADB's Development Experience	• summary of ADB assistance in the country and assessment of its impact • description of country's borrowing portfolio, assessment of project performance and any risks • lessons learned from past ADB assistance and implication for the new CSP
ADB's Strategy	• identification of key development challenges faced by the country • long-term goals and medium-term objectives agreed between ADB and the DMC • CSP's strategic focus in terms of sectors, thematic issues and geographical areas
ADB's Assistance Programme	• proposed overall assistance from Ordinary Capital Resources and Asian Development Fund • external funding coordination and partnership agreements • ADB internal staff resources needed to implement the CSP
Risks and Performance Monitoring and Evaluation	• risks to the success of the CSP • how the CSP will be monitored
Annexes (only useful ones for WaterAid)	
Roadmaps	• these are thematic and sector plans, including policy reforms and proposed projects and programmes - a useful source of info on future activities • projects and programmes must be included in the roadmap if they are to be financed
Concept Papers for Proposed Projects and Programmes	• type of assistance (loan or grant) and source of funding • theme of initiative • responsible ADB staff person • brief description of the project • executing agency • general timeline

3.11 Criticism of the CSP process - lack of ownership and participation

Many CSOs feel that, despite the rhetoric, there is little meaningful participation of civil society in the preparation of CSPs. What has been happening is that CSPs are

only publicly released once approved, civil society is invited to "consultations" on drafts they have never seen and there are no mechanisms to incorporate the concerns of the poor. Governments too only "endorse" and do not "approve" CSPs which means there is little government ownership of this important document which sets the stage for future lending and hence debt.

The new ADB disclosure policy[7] that has been effective since September 1, 2005 presents an opportunity for civil society to get more involved in the formulation of its country's CSP. The new Policy mandates the ADB to release for comment draft CSPs to in-country stakeholders after the Initiating Paper (step #4) is completed and before the management review meeting (step #9). The new Policy also mandates the ADB to post on its website a list of new CSPs scheduled for preparation over the course of the year, which should help CSOs plan ahead on when and how to engage the institution.

Request for draft CSPs and other information requests can be made at the ADB Resident Mission in the country or by emailing the ADB InfoUnit at disclosure@adb.org. The ADB is mandated to acknowledge the receipt of a request within 5 working days, and provide the requested documents within 30 days. If the ADB denies the request and the requester feels the reason for denial is unjustified, the requester should submit a request for review to the ADB Public Disclosure Advisory Committee at pdac@adb.org.[8]

3.12 When should civil society get involved in the CSP process?

It is best to get involved at the consultation stages, steps #5 and #8. ADB watchers have provided the following tips for CSOs planning to engage in the process. They recommend that certain criteria be met to make the consultations effective:

- early notification of the process
- provision of documentation so CSOs can prepare for the meeting
- provision of translations of documents for participants unfamiliar with English language
- a clear framework for the consultation - how it will take place, who will participate, what are the conveners expectations
- means to ensure CSO views are taken into account in the final document (even in cases where views are rejected)
- clear and transparent criteria for selection of CSO representatives.

[7] The 2005 ADB Public Communications Policy can be viewed at http://www.adb.org/Documents/Policies/PCP/default.asp.

[8] PDAC can also be reached via fax at +632 636 2640. PDAC also should acknowledge the receipt of request within 5 working days and provide a response within 30 calendar days.

CHAPTER 4

The ADB Project Cycle and Documents Produced at Various Stages

The ADB development assistance adopts a Project Cycle which follows 6 stages, similar to that of the World Bank. Below is a step-by-step guide to the project cycle and details on information that is available at various points in the project cycle (Table 4.1).

Figure 4.1 The ADB Project Cycle

Source – ADB website, 2005

Many documents are produced during the project cycle. Some of these are available to the public others are not. A major criticism of the ADB is that during the project preparation phase key documents are only available once finalized and that during the implementation phase very little information on project status is publicly available. The documents produced at each stage of the project cycle and their availability is described in Table 4.2, based on information in the new Public Communications Policy, April 2005. For details of each document and its availability refer to ADB's Public Communications Policy.

Table 4.1 Description of the ADB Project Cycle and Information Available at Various Stages

Stage	Description	Information Available
1. Identification **Responsible –** Borrowing government	ADB consults with the executive level of the borrowing government to identify potential projects and programs. These must be consistent with the development goals identified in the Country Strategy and Programme (CSP). ADB may send fact finding missions to collect information in the field.	• Business Opportunities Listing • Project Profiles • Concept Papers contained in CSP and CSP Updates
2. Preparation **Duration –** 6 months to 2 years **Responsible –** Borrowing government	ADB provides grants or loans for Project/Program Preparatory Technical Assistance (PPTA) to help the government identify and prepare feasible projects. Using the PPTA the ADB hires consultants to work with Government counterpart staff to undertake the project's feasibility study. The consultants prepare a report and the draft final report is reviewed at a tripartite meeting attended by representatives of the government, ADB and the consultants. During this process, ADB and the government agrees on an executing agency for the project or program. During this stage the borrower must evaluate the environmental and social impacts of the project.	• Project Information Document • Technical Assistance (TA) Reports • Updated Project Profiles • Initial Poverty and Social Assessment • Project Preparatory Technical Assistance (PPTA) Paper and documents produced under the PPTA • Project Preparatory Note • Environment Assessment Reports • Resettlement Planning Documents • Indigenous Peoples' Planning Documents • Gender Assessment • Project/Programme Framework
3. Fact Finding and Appraisal **Responsible –** ADB staff	ADB examines project feasibility - as presented in the consultants' report - first through a fact-finding mission and then through an appraisal mission. The fact-finding mission - in consultation with the government and other stakeholders - examines the project's technical, financial, economic, environmental, marketing, and management aspects and potential social impact. Detailed project risks and sensitivity analyses are carried out to	• Nothing

	assess viability of the proposed project. Loan terms and conditions for loan effectiveness are discussed to improve sector performance and address key policy issues. Following the examination in the field, the appraisal mission conducts further field study, analyses and consultation, as required. The mission then, prepares a loan proposal report and draws up a draft loan agreement for negotiation. The ADB is responsible for reviewing all aspects of the project to ensure it is consistent with ADB policies and guidelines.	
4. Loan Negotiation and Board Approval **Responsible** - Borrowing government and ADB staff.	After appraisal, the draft loan agreement and draft project proposal is submitted to all parties including the government for review. The parties then provide their feedback. The government is then called for negotiation with ADB. After negotiations with the government, the loan proposal is submitted to ADB's Board of Directors for approval. This report is known as Report and Recommendation to the President – RRP. After Board approval, the document is sent to the borrowing country's government for cabinet authorization. Following the authorization from the cabinet, the loan agreement is signed by the ADB President and the Representative of the government.	• Reports and Recommendations to the President (released after project/programme approval) • Loan Agreements (for loans signed after September 1 2005 these are attached to the RRP). •
5. Implementation **Duration** – 2 to 7 years, overruns are common **Responsible** – Borrowing government	The project is implemented by the executing agency according to the agreed schedule and procedures. Project consultants are recruited as needed to assist the government. Implementation time generally ranges from two to seven years but depends on the type and nature of the project and overruns are common. ADB's project divisions review the physical implementation progress as well as monitor achievement of development objectives in close coordination with the borrower and the executing agencies. ADB disburses the loan for approved expenditures, as provided in the loan agreement. ADB review missions assess the progress of project implementation by visiting it at least twice a year throughout the implementation period.	• Project Administration Memorandum • Project/Program Progress Reports • Progress Reports on Tranche Releases
6. Project Completion and	After the project facilities are completed and commissioned, ADB prepares a project completion report to document the implementation	• Project Completion Reports • Project Performance Audit Reports

valuation Duration - 1 to 3 years after project completion Responsible – ADB staff	experience within 12 - 24 months of the completion of the project. ADB's Operations Evaluation Department (OED) evaluates the formulation and implementation of projects on a selective basis and prepares a Project Performance Audit Report containing an assessment of the project's formulation and implementation, economic, financial, and social benefits and environmental impact. Reports are typically done about three years after completion of project implementation or about two years after the PCR has been circulated to the Board.	• Impact Assessments • Special Evaluation Studies •

Source – ADB website 2005.

CHAPTER 5

The ADB Policy Framework

The ADB website lists 36 Board-approved policy papers and strategies which guide its operations (http:/www.adb.org/Development/policies.asp). These polices are translated into an Operations Manual by Bank staff which serves as a guide for staff on how to implement the policies.

Civil society groups need to be aware of both the policies and the Operations Manual as they outline the rights citizens have when ADB operates in a country and ADB is obliged to comply with these policies during the preparation and implementation of all projects. An effective way of lobbying the ADB is to point out non-compliance with these policies (see chapter 7).

The Strategy and Policy Department is responsible for overseeing the developing of policies and guidelines in the ADB. The Regional and Sustainable Development Department is responsible for monitoring and ensuring ADB's compliance with its own policies and guidelines.

NGOs campaigning on the ADB find that ADB frequently fails to comply with its own policies and attribute this to an emphasis on quantity rather than quality of projects and staff being rewarded not for compliance of the projects they manage but for the amount of money disbursed.

Some of the key policies relevant to the water and sanitation sector are briefly described below with details of approval dates and responsible departments.

Water For All: The Water Policy of the Asian Development Bank[9]
Approved: 2001
Contact: Regional and Sustainable Development Department
Water for All is premised on the region's need to formulate and implement integrated cross-sectoral approaches to water management and development. It seeks to promote the concept of water as a socially vital economic good that needs increasingly careful management to sustain equitable economic growth and to reduce poverty. The conservation and protection of water resources in the region through a participatory approach are at the heart of the policy. The water policy has the following principal elements.

1. **Promoting a national focus on sector reform.** DMCs will be supported to adopt effective national water policies, water laws, and sector coordination arrangements; improve institutional capacities and information management; and

[9] http://www.adb.org/Documents/Policies/Water/default.asp?p=policies

develop a national action agenda for the water sector. Throughout, the needs of the poor will be specifically factored into legal, institutional and administrative frameworks.

2. **Foster the integrated management of water resources.** Integrated management will be based on conducting comprehensive water resource assessments, and concentrating interlinked water investments in river basins.
3. **Improve and expand the delivery of water services**. Focusing on water supply and sanitation (both rural and urban), irrigation and drainage, and other sub-sectors, support will be provided for autonomous and accountable service providers, private sector participation and public-private partnerships, emphasizing equity in access to water for the poor and underserved.
4. **Foster the conservation of water and increase system efficiencies.** Packages will be supported that combine water use and resource management charges to recover costs, improved regulation and increased public awareness, and, provisions to ensure that the poor are not excluded.
5. **Promote regional cooperation and increase the mutually beneficial use of shared water resources within and between countries.** The primary focus will be on the exchange of information and experiences in water sector reform. Support will be provided to enhance awareness of the benefits of shared water resources, create sound hydrologic and socio-environmental databases relevant to the management of transboundary water resources, and implement joint projects between riparian countries.
6. **Facilitate the exchange of water sector information and experience**. Socially inclusive development principles will be supported to promote stakeholder consultation and participation at all levels, increase access to basic water services by poor consumers, and enhance water investments in DMCs through public-private-community-NGO partnerships.
7. **Improve governance**. This will be accomplished by promoting decentralisation, capacity building, and strengthening monitoring, evaluation, research and learning at all levels, particularly in public sector institutions.

Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy[10]
Approved: 1999
Contact: Poverty Reduction and Social Development Division, Regional and Sustainable Development Department

The strategy sets poverty reduction as ADB's overarching goal and its reason for being. ADB defines poverty as "*a deprivation of essential assets and opportunities to which every human is entitled".* The strategy sets out a framework for poverty reduction consisting of three pillars 1) pro poor sustainable economic growth 2) social development and 3) sound macroeconomic management and good governance, which is considered a prerequisite to achieving 1&2. The three pillars are considered to lead to socially inclusive development. The policy states that all ADB loans and TAs must contribute to poverty reduction, all proposals will contain specific assessment of their poverty impact and proposal logframes will have poverty reduction as their ultimate objectives. The strategy recognizes the beneficiaries must be consulted in project design and implementation. Good governance, private sector

[10] http://www.adb.org/Documents/Policies/Poverty_Reduction/default.asp?p=policies

participation, gender and environmental sustainability are considered crosscutting themes.

Interventions in water supply come under the social development pillar of the framework. WSS is not highlighted as a sector priority but is mentioned amongst a list of activities under 'urban development' and again under 'infrastructure and finance'.

The Accountability Mechanism[11]

Approved: 2003
Contact: Office of the Special Project Facilitator and Office of the Compliance Review Panel

The Accountability Mechanism replaced the previous Inspection Function in 2003 and established the Office of the Special Project Facilitator (SPF) and Office of the Compliance Review Panel (CRP). It is a mechanism for providing people adversely affected by ADB-assisted projects better access to voice concerns and seek solutions to their problems and also report alleged violation of ADB's operational policies. It is an effort to enhance ADB's development effectiveness, project quality and transparency. The mechanism has two functions – consultation and compliance review. Consultation among stakeholders, led by an ADB Special Project Facilitator, focuses on problem solving through facilitating dialogue among all parties, while the compliance review determines whether there is direct and material harm suffered by project-affected people and whether this is caused by ADB's violations of its operational policies. **Important:** Affected communities can file a complaint with the SPF/ CRP as early as project formulation, as long as there is evidence that communities are likely to be adversely affected by a violation of an ADB policy. Cases can be brought up to and until ADB issues a PCR for a project. Corruption allegations are not processed by the Accountability Mechanism.

Anticorruption Policy[12]

Approved: 1998
Contact: General Auditor

The policy defines corruption as the 'misuse of public or private office for personal gain' and states that corruption is one of the most enduring problems facing governments throughout history. The Anticorruption policy is part of the overall governance agenda which recognizes accountability, transparency and predictability as critical. The policy sets out 3 objectives: 1) supporting competitive markets and efficient, effective, accountable, and transparent public administration, 2) supporting promising anticorruption efforts case-by-case and improving the quality of dialogue on governance issues, and 3) ensuring ADB projects and staff adhere to the highest ethical standards.

The policy establishes a mechanism and procedure for investigating and taking action on allegations of corruption in ADB projects and protects the identity of those filing corruption complaints if they would like to remain anonymous. The policy

[11] http://www.adb.org/Documents/Policies/ADB_Accountability_Mechanism/default.asp?p=policies
[12] http://www.adb.org/Documents/Policies/Anticorruption/default.asp?p=policies

requires ADB staff to assess corruption risks throughout the entire range of ADB operations and in all stages of the project cycle.

Governance policy[13]

Approved: 1995
Contact: Strategy and Policy Office (SPO) and Office of the General Counsel

The governance policy states that "governance has to do with the institutional environment in which citizens interact among themselves and with government agencies/officials". ADB sees governance in terms of effective development management and considers good governance as 'norms of behaviour that help ensure that governments actually deliver to their citizens what they say they will deliver' and has identified the basic elements of good governance as accountability, participation, predictability and transparency.

Reviews of the governance and anti-corruption policies are currently underway.

Public Communications Policy[14]

Approved: 2005
Contact: Department of External Relations

The Public Communications Policy (PCP) spells out ADB's disclosure policy and communications strategy "to ensure development effectiveness." The PCP supports the presumption in favour of disclosure principle, details which ADB documents are made publicly available and when, and the procedure to be followed in handling information requests. It emphasizes reaching out to audiences such as donor countries, media, and those who have a high level of influence on national executives and ministers. The Policy establishes a new disclosure unit (InfoUnit) under the External Relations Department that will be responsible for monitoring the disclosure requirements of the policy.

Gender and Development Policy[15]

Approved: 1998
Contact: Poverty Reduction and Social Development Division, Regional and Sustainable Development Department (RSDD)

This policy requires that an initial poverty and social assessment be conducted as early as possible for all ADB loans and programs, of which gender analysis must be an essential component. This assessment requires participation of groups that stand to be affected by the project.

Environment Policy[16]

Approved: 2002
Contact: Environment and Social Safeguard Division, RSDD

[13] http://www.adb.org/Documents/Policies/Governance/default.asp?p=policies
[14] http://www.adb.org/Documents/Policies/PCP/default.asp
[15] http://www.adb.org/Documents/Policies/Gender/default.asp
[16] http://www.adb.org/Documents/Policies/Environment/default.asp

This policy requires that borrowers evaluate the environmental impacts of projects, that alternatives be studied and the least environmentally damaging option be selected and that mitigation measures are identified. It states that the public (especially project stakeholders) be involved in this evaluation process and in monitoring implementation of mitigation measures.

Involuntary Resettlement Policy[17]

Approved: 1995
Contact: RSDD

This policy emphasizes that involuntary resettlement should be avoided where possible, and requires that: 1) resettlement plans be developed in consultation with affected people, 2) affected communities be at least as well off economically and socially after the project as they were prior to the project, 3) project-affected communities be compensated, with absence of legal land title not being a barrier to compensation.

Indigenous Peoples Policy[18]

Approved: 1999
Contact: RSDD

When an ADB project will affect indigenous peoples, this policy says that the Bank should engage with them directly and that an *Indigenous Peoples Plan* be developed. It requires that initiatives should be conceived, planned, and implemented, to the maximum extent possible, with the informed consent of affected communities.

[17] http://www.adb.org/Documents/Policies/Involuntary_Resettlement/default.asp
[18] http://www.adb.org/Documents/Policies/Indigenous_Peoples/default.asp

CHAPTER 6

Parts of the ADB involved in Water Supply and Sanitation and ongoing initiatives

This chapter provides information on parts of the ADB involved in WSS and ongoing ADB non-project initiatives in the WSS sector.

6.1 Management of Water Operations

Water projects are handled by two divisions, namely, 'Agriculture, Environment and Natural Resources' and 'Social Sectors' Divisions. As these divisions exist in each of the 5 Regional Departments, water sector projects are managed by 10 separate divisions.

6.2 Implementation and Review of the Water Policy

The responsibility for overseeing implementation and review of the Water Policy lies with the Regional and Sustainable Development Department (RSDD), which is under the Vice President for Knowledge Management and Sustainable Development. A common critique of the ADB is there is a disconnect between this department and the regional departments under the Operational Vice Presidents which means that there is limited coherence between policy and operations.

6.3 Cooperation Fund for the Water Sector

The Cooperation Fund for the Water Sector is a 5-year multi-donor facility established in 2001 to help catalyze the implementation of ADB's Water Policy and managed by RSDD. The objectives of the Fund are to add value to the water projects carried out by ADB's Regional Departments; to increase synergy in ADB's water sector operations; and to strengthen regional cooperation. The Knowledge Partnership between WaterAid and the ADB is financed through this Fund.

6.4 Pilot and Demonstration Activities (PDAs)

This initiative was introduced in 2002 and funded by the Cooperation Fund for the Water Sector to generate innovative ideas, technologies, approaches and methodologies that can help improve water services, particularly to the poor. The initiative consists of research and experimentation to validate the innovation and advocacy to ensure that decision makers and other stakeholders take them up. So far 20 PDAs have been approved and 1 completed. PDAs are being undertaken by WaterAid partners in Nepal to demonstrate technologies and financing mechanisms. For example, in Nepal the Environment and Public Health Organisation is implementing a pilot to demonstrate appropriate technologies for managing domestic wastewater, recycling the nutrient and optimizing water at household level.

6.5 Water Partnerships

ADB supports the establishment and strengthening of national and regional water partnerships designed to broaden stakeholder participation and catalyze water reform activities in its developing member countries. The partnerships reflect many of the themes articulated in the Water for All policy. Current partnerships include:

Gender in Water Partnership - This partnership with the Gender and Water Alliance aims to build the capacity of developing member countries and ADB personnel. This can be seen as an attempt to operationalise commitments in Water for All around gender.

National Water Sector Apex Bodies (NWSAB) - Water for All identified Apex Bodies as key to sector reform. ADB supports NWSABs to implement a range of activities to improve their sector performance through sharing of information and regional cooperation.

Network of Asian River Basin organizations (NABRO) - this was established to share knowledge and build capacity for integrated water resources management in river basins throughout Asia. This partnership can be seen as a response to the theme in Water for All of Integrated Water Resource Management in a river basin context and Regional Cooperation through sharing of knowledge and information.

South East Asia Water Utilities Network (SEAWUN) - the water policy stresses the importance of independent and autonomous service providers. SEAWUN is a regional network of water supply and sanitation (WSS) utilities created to help its members improve their WSS services.

Water for Asian Cities Program - this is a partnership with UN Habitat that aims to expand and improve water supply and sanitation services to the urban poor in Asia and the Pacific, to meet the challenges laid down in Water for All regarding urbanization and population growth and vulnerability of the poor. WaterAid and partners are involved in the programme in India and Nepal.

Water for the Poor - Partnerships for Action - this initiative aims to catalyze and improve the quality of investments in water security for the rural poor in the Asia-Pacific region. The Knowledge Partnership with WaterAid is a part of this partnership.

6.6 The Change Agenda

At the Water Week, 2003, ADB examined the essential changes necessary to improve water governance and reverse the effects of perverse incentives responsible for sector underperformance. These were identified as:

- Changing selection criteria - working with the right information, organizations and leaders.

- Changing incentives and advocacy - empowering civil society as a catalyst for water sector reform. In response to this agenda the Knowledge Partnership with WaterAid was formed.
- Changing regulation - from independent to credible regulators.
- Changing the rules to reward efficiency - linking formal and informal providers.
- Changing the focus of lending -catalyzing water investments to the rural poor.
- Changing the nature of water projects - investing more in non-structural interventions; from national to sub-sovereign.

6.7 Members of the Water Team

Member of the water team include:

- Wouter T. Lincklaen Arriens, Lead Water Resources Specialist, wlincklaenarriens@adb.org
- Dr. K. E. Seetharam, Senior Water Supply and Sanitation Specialist, kseetharam@adb.org
- Johannes Albert van Ommen, Pilot & Demonstration Activities Manager jvanommen@adb.org
- Ellen I. Pascua, Water Policy Adviser, epascua@adb.org

CHAPTER 7

Civil society and the ADB

Box 7.1 Key points

- CSOs monitoring the ADB are mainly concerned about lack of informed public participation, the social and environmental impacts of projects, the secrecy of ADB's governance and decision making and its neo-liberal ideology.
- CSOs can play a role in monitoring projects and act as a bridge between affected communities and the ADB.
- Opportunities exist to influence projects throughout the project cycle but the earlier you learn about the project the easier it will be to influence its development and implementation.

7.1 Civil society concerns with the ADB

Civil Society Organizations (CSOs) monitoring the ADB are concerned about:

- Public participation in the design, implementation, monitoring and evaluation of ADB projects.
- Social and environmental impacts of ADB projects and ADB's accountability/willingness to accept responsibility for these impacts and take steps to prevent them.
- The secrecy of ADB's governance and decision-making.
- ADB's neo-liberal ideology and its heavy emphasis on private sector, often at the expense of government departments.

7.1.1 Public Participation

CSOs argue that projects are often designed and implemented without the informed participation of affected people, civil society or even the elected officials in borrowing countries. Because citizens are responsible for paying back the loans, they have the right to be involved in decision making.

7.1.2 Social and Environmental Impacts

Much of the efforts of civil society organizations have gone into preventing negative environmental and social impacts. While ADB and other MDBs worked on the premise of "grow now, fix it later" civil society highlighted the need to identify and avoid environmental and social impacts through rigorous assessment at the earliest stages of project and program planning. This pressure resulted in ADB adopting various environmental and social safeguard policies. For communities these policies provide minimum protection and a means for holding institutions to account by filing claims of policy violations. Some of the issues civil society continues to raise regarding social and environmental policies include:

- Incomplete coverage of policies.
- Weakening of policies – for example the 2004 revision to the ADB Water Policy regarding dams.
- Lack of consistent stakeholder involvement in policy development – while projects follow cycles, policy development is ad hoc and external stakeholder input is rushed and has questionable impact.
- Lack of proper implementation.

ADB's safeguard policies will be reviewed in 2006.

7.1.3 The secrecy of ADB's governance and decision-making

As a publicly financed institution, financed with taxpayers money, and made up of 64 member governments, CSOs feel that the ADB should be open its decision-making process.

7.2 What role can civil society play in ADB operations?

Monitoring ADB-funded projects – by learning about projects 'in the pipeline' CSOs can try to influence the design of projects before approval. Try to obtain related documents of a TA or project loan (see Tables 4.1 and 4.2) early so your intervention will be more effective. It is easier to influence projects when they are still in the design stage. Once loan agreements have been designed it is difficult to halt or alter projects. Therefore the earlier you learn about the project the easier it will be to influence its development and implementation.

Acting as a link between the ADB and affected communities – CSOs can work with people affected by ADB projects to help them understand the ADB and raise their concerns.

Box 7.2 The NGO Forum helps communities to raise their concerns

Over the past 4 years the NGO Forum for Urban Water Supply and Sanitation has organized a number of community consultations regarding the ADB-funded Melamchi project, designed to improve Kathmandu's water situation. At these meetings community people are given information about the project in local languages and their concerns are documented and communicated to ADB officials, either in writing or by inviting ADB to meetings.

7.3 What are some opportunities for influencing ADB projects?

Depending on the stage a project is at in the project cycle, there are different things CSOs can do to influence projects. Generally speaking, the earlier CSOs get involved the greater the chances of changing projects. Once a loan agreement has been signed it is very difficult to bring about changes as this is a legal agreement between ADB and a government and changes represent a break in the contractual agreement.

Some of the actions taken by CSOs are given below, with reference to the ADB project cycle described in Chapter 4.

Table 7.1 Actions civil society can take to influence ADB projects at various stages during the project cycle

Stage	Actions
Project Identification - chance to change	• find out about projects in the pipeline from the Business Opportunities webpage http:///www.adb.org/Projects and the Project Profiles webpage http://www.adb.org/Projects/profiles.asp • write to responsible contact person or Director General of relevant Regional Department to request more information or express concerns • contact the Office of External Relations if you do not get any response • contact the Executing Agency (details in the Project Profile) to request more information or express concerns • request a meeting with the Resident Mission to find out what projects are in the pipeline. **Note** - details of WSS projects in the pipeline in Bangladesh, India and Nepal and details of contact persons are attached at Annexes B & C.
Project Preparation - chance to change	• make sure that ADB consults potential affected communities in preparing environment and social assessments, resettlement plans (RPs), indigenous peoples plans (IPPs) • provide input to the environmental and social assessments, RPs, & IPPs • if assessments have been completed, request copies and provide feedback • inform ADB if environmental impacts have been wrongly classified • get familiar with relevant ADB policies and inform ADB if the government is not complying, providing specific details on which sections of policies are being violated. A complete list of ADB policies is available at http://www.adb.org/Development/policies.asp • if there is indication that ADB violated its policies which will likely adversely affect communities, file a request for mediation with ADB Special Project Facilitator (SPF), and eventually with the Compliance Review Panel (CRP) if SPF is not able to resolve the issues
Project Appraisal - last chance to change	• raise concerns with Director General of relevant Regional Department, Vice President and President • contact ADB and try to schedule a meeting with ADB staff during fact finding and appraisal missions • strengthen case by citing policies that are being violated by borrowing government/ADB • propose conditions that could be included in the RRP and loan agreement to mitigate risks • if there is indication that ADB violated its policies which will likely adversely affect communities, file a request for mediation with ADB Special Project Facilitator (SPF)
Loan Negotiations	• communicate concern directly to the Board of Executive Directors **before the Board meets to discuss the project**

and Board Approval - very last chance	• if the project is approved by the Board, file a complaint with the Accountability Mechanism (SPF first, then CRP)
Project Implementation - monitoring role	• monitor projects to see if commitments in loan agreements are being met • if not the case, inform ADB to encourage the borrowing government to comply • if CSO concerns are still not addressed, file a complaint with the Accountability Mechanism **Note** - it is the responsibility of ADB staff to ensure policies are complied with and to assist the borrowing government to comply. It is not only the responsibility of the borrower.
Project Completion & Evaluation	• provide input into the Project Completion Report (PCR) process by contacting Regional Department responsible for the project and into PPAR and other evaluations by contacting the Operations and Evaluation Department (ED). The OED annual work plan with details of projects to be evaluated in the coming year is posted at hffp://www.adb.org/Evaluation/work_prog.asp

Projects can also be influenced by lobbying of national governments through Executing Agencies, Finance Ministries and Parliamentary Committees. Projects can also be influenced via other donors if they are co-financed. CSOs in the donor's home country can be used to lobby their government.

The best way to find out what is happening on Bank projects is through face-to-face relationships; these are often started at sector coordination meetings. WaterAid is respected for knowing its subject area well, so an offer to provide sector insight will usually be welcomed. Finding out when a water sector project team is in country and making arrangements to meet with is often useful.

For every project undertaken in a country, an individual Team Leader from ADB Headquarters has overall responsibility for handling the project from inception to completion. They can answer specific questions about a given project and they are a useful source of information. At the Resident Mission there will also be a staff member responsible for each project. These people are good advocacy targets as they will be interested in knowing about good practice work in the field, and as such should be made aware of the good practice of WaterAid and partner organisations. They should also be interested in 'bad' practice and lessons from failures. When communicating with these people it is important to lay a paper trail of all discussions.

7.4 What questions can civil society organisation ask the ADB?

The Bretton Woods Project, an NGO which campaigns around World Bank issues, published this list of questions that interested organisation may like to ask the national World Bank representatives about what is happening in their country. These questions can also be addressed to ADB representatives:

- what research has the Bank commissioned or does it plan to commission? who will carry out these studies? what research methods will be used? what is the

timetable for planning, conducting and publishing them? will the process of designing, executing and concluding these studies be open to interested civil society groups?

- when do you plan to redraft your Country Strategy and Program (CSP)? what are your plans for civil society involvement in negotiating the CSP?
- do you have any plans to carry out Poverty and Social Analysis on any of the reforms you are promoting?

7.5 Who are some of the NGOs watching ADB?

Bank Information Centre is a an independent, non-profit, non-government organisation that aims to empower citizens in developing countries to influence World Bank and other Multilateral Development Bank activities in a manner that fosters social justice and ecological sustainability. BIC advocates for greater citizen participation, transparency, and public accountability. BIC has a head office in Washington DC, and field offices in New Delhi, India and in Southeast Asia.
Contact - info@bicusa.org, rmahapatra@southasia.bicusa.org. http://www.bicusa.org

NGO Forum on ADB is an Asian-led network of non-government and community-based organisations that support each other in order to amplify their positions on Asian Development Bank's policies, programs, and projects affecting life forms, resources, constituents - the local communities.
Contact - secretariat@forum-adb.org , http://www.form-adb.org

Environmental Defence is a US-based non-profit organization dedicated to protecting the environmental rights of all people, including future generations. Among these rights are clean air, clean water, healthy food and flourishing ecosystems.
Contact - members@environmentaldefense.org, http://www.environmentaldefense.org.

La'o Hamutuk (walking together) – is a joint East Timorese-international organization that monitors, analyses and reports on the principal international institutions present in Timor Loraosa'e as they relate to the physical, economic and social reconstruction and development of the country. It believes that the people of East Timor must be the ultimate decision-makers in this process and that this process should be democratic and transparent.
Contact – laohamutuk@easttimor.minihub.org , http://www.etan.org/lh

Oxfam Australia is an Australian, independent, not-for-profit, secular, community-based aid and development organisation. Across 31 countries, it works in partnership with local communities to overcome poverty and injustice. Its vision is of a fair world in which people control their own lives, their basic rights are achieved and the environment is sustained. Oxfam Australia has campaigned on the impact of the Asian Development Bank (ADB) on poor communities in the Asian region since 1999. One aspect of the campaign has been Australia's role as a major donor to the Bank in holding it to account for the impact of its policies.
Contact - www.oxfam.org.au

Aid/WATCH is a not for profit activist organisation monitoring and campaigning on Australian overseas aid and trade policies and programs. AID/WATCH maintains a watching brief on the large multilateral organisations such as the World Bank, Asian Development Bank and the World Trade Organisation, to monitor their activities and inform the public of ways they can involve themselves in the process. Aid/WATCH is currently running a campaign against water privatization.
Contact - Melita Grant, Campaigner, water@aidwatch.org.

BanglaPaxis - BanglaPraxis is a non-profit activist organization based in Dhaka, Bangladesh. BanglaPraxis works together with communities for ecological integrity, and monitors trans-national flow of capital and international financial institutions (IFIs).
Contact – banglapraxis@yahoo.com

Coastal Development Partnership – is an emerging third generation NGO (committed to right-based programming) that has been working to establish rights of poor women and men of the southwest of Bangladesh since its inception in 1997. The organization has led many campaigns for conservation of the coastal wetlands and the Sundarbans biodiversity and to establish rights of the landless to khaslands.
Contact – Ashraf–Ul–Alam Tutu, Coordinator, cdp@cdpbd.org , http://www.cdpbd.org

NGO Forum for Urban Water Supply and Sanitation - provides an opportunity for civil society to become informed about the proposals for changes to Kathmandu's water supply and related issues. The information which is collected is discussed and analyzed with other NGOs and community groups and the feedback is provided to His Majesty's Government of Nepal, lenders and donors. The Forum is open to all NGOs, International NGOs, HMGN, and development organizations, particularly those with an interest in the water and sanitation sector, urban poverty, good governance, environment, public policy. **Contact** – ngoforum@mail.com.np

Water and Energy Users' Federation Nepal - WAFED is an independent national network of water and energy projects-affected people and local concerned groups in Nepal. The Federation campaigns for access to clean drinking water and electricity to all Nepalis in a most affordable price as a basic human right; opposes destructive dams; advocates for ecological conservation and environmental protection and works for the maintenance of ownership of all natural resources in the hands of the communities and/or public in opposition to the privatisation of these resources for profit.
Contact - wafed@ntc.net.np

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Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy, ADB, 1998

Rethinking the Role of the Multilateral Development Banks, ODI, 1996.

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Unpacking The ADB: A Guide To Understanding the Asian Development Bank, NGO Forum and Bank Information Centre Publication, 2005

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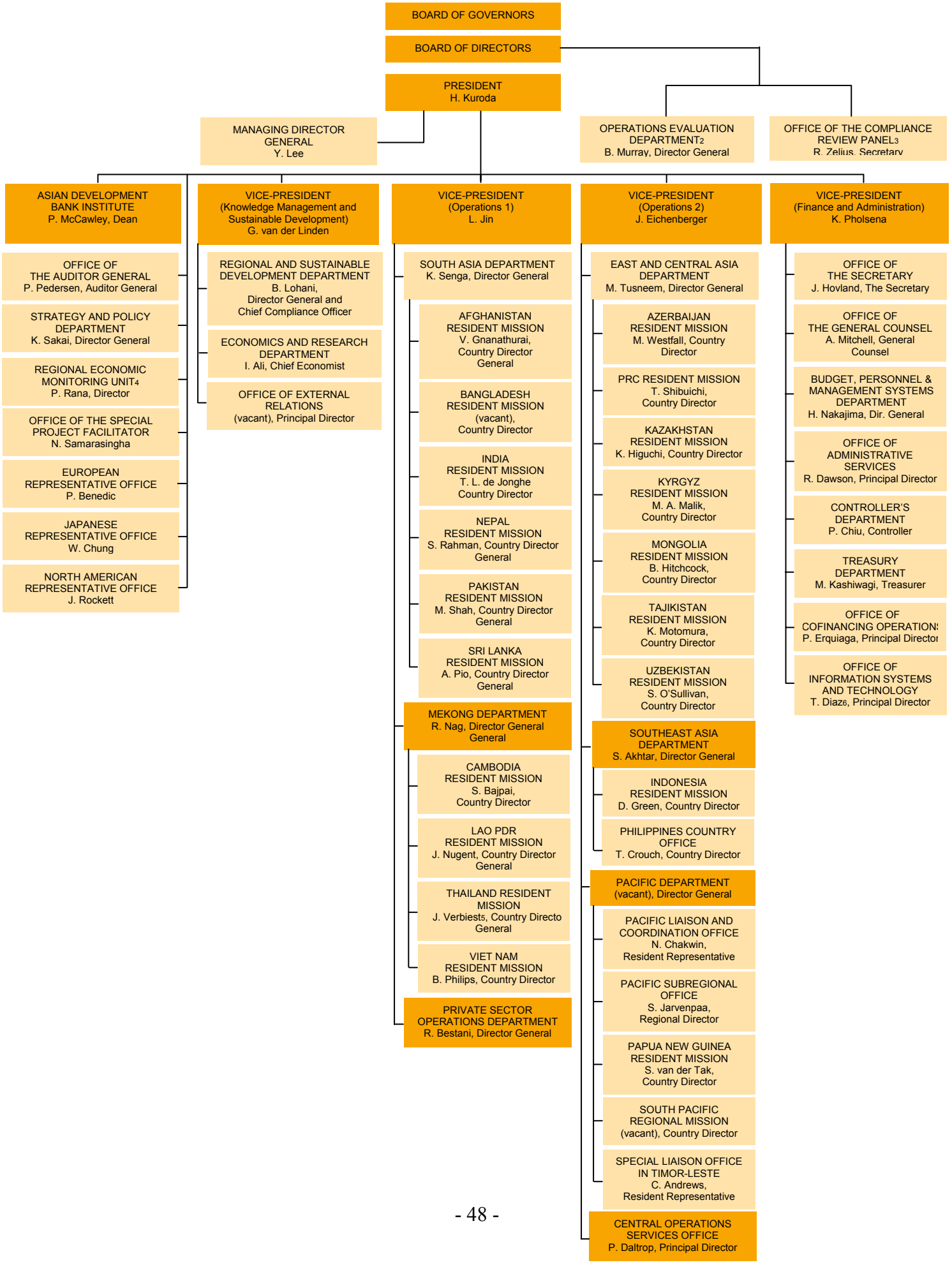
Annexes to

WaterAid Primer on the Asian Development Bank

Annex A ADB Organisational Structure (as of February 1st 2005)



Annex B On-going and Planned Water and Sanitation Related Projects in WaterAid Working Countries and Team Leader/ Responsible ADB Officer

Project	Expected date of submission for approval	Team Leader/ Responsible ADB Officer	Contact Details
Bangladesh			
Urban Governance & Infrastructure Improvement Sector 1	Ongoing	Hun Kim	hunkim@adb.org
Secondary Towns Water Supply and Sanitation		Shakeel Ahmad Khan	sakhan@adb.org
Urban Governance & Infrastructure Improvement Sector 2		Hun Kim	hunkim@adb.org
India			
Rajasthan Urban Infrastructure Development Project	Ongoing	Alex K. Jorgensen	ajorgensen@adb.org
Karnataka Urban Development and Coastal Environmental Management Project	Ongoing	James Patrick Lynch	jlynch@adb.org
Calcutta Environmental Improvement Project	Ongoing	J. Warren Evans	jevans@adb.org
Urban Water Supply and Environmental Improvement in Madhya Pradesh	Ongoing	Sergei Popov	spopov@adb.org
North Eastern Region Urban Development 1	2005	Jeffry Kongoasa	jkongoasa@adb.org
Karnataka Urban Development 3	2005	Keiichi Tamaki	ktamaki@adb.org
Jammu and Kashmir Urban Development	2006	Hun Kim	hunkim@adb.org
North Eastern Region Urban Development 2	2007	J Kongoasa	jkongoasa@adb.org
Uttaranchal Urban Development	2007	Gulfer Cezayirli	gcezayirli@adb.org
Nepal			
Community Based Water Supply and Sanitation Sector Project 1	Ongoing	Eva Mayerhofer	emayerhofer@adb.org
Kathmandu Valley Water Services Sector Development	Ongoing	Keiichi Tamaki	ktamaki@adb.org
Melamchi Water Supply	Ongoing	Keiichi Tamaki	ktamaki@adb.org
Small Towns Water Supply and Sanitation Sector	Ongoing	Xiaoyan Ye	xiaoyanye@adb.org
Urban and Environmental Improvement	Ongoing	Tomoo Ueda	tueda@adb.org
Community Based Water Supply and Sanitation Sector Project 2	2007	Eva Mayerhofer	emayerhofer@adb.org
Kathmandu Valley Water Distribution, Sewerage and Urban Development	2008	Keiichi Tamaki	ktamaki@adb.org

Annex C Contact Details for Team Leaders and Responsible Offices for On-going and Planned WSS Projects in WaterAid Working Countries (Note – information collected form ADB website which is not regularly updated)

Team Leader	Position	Email	Project
Bangladesh			
Hun Kim	Director (SASS)	hunkim@adb.org	Urban Governance & Infrastructure Improvement Sector 1 &2
Shakeel Ahmad Khan	Urban Development Specialist	sakhan@adb.org	Secondary Towns Water Supply and Sanitation
India			
Alex Jorgensen	Principapl Urban Specialist	ajorgensen@adb.org	Rajasthan Urban Infrastructure Development Project
James Patrick Lynch	Principal Programs Economist	jlynch@adb.org	Karnataka Urban Development and Coastal Environmental Management Project
Sergei Popov	Project Specialist (Environment)	spopov@adb.org	Urban Water Supply and Environmental Improvement in Madhya Pradesh
J. Warren Evans	Director	jevans@adb.org	Calcutta Environmental Improvement Project
Jeffry Kongoasa	Financial Specialist	jkongoasa@adb.org	North Eastern Region Urban Development 1 & 2
Hun Kim	Director (SASS)	hunkim@adb.org	Jammu and Kashmir Urban Development
Gulfer Cezayirli	Senior Urban Development Specialist	gcezayirli@adb.org	Uttaranchal Urban Development
Keiichi Tamaki	Senior Urban Development Specialist	ktamaki@adb.org	Karnataka Urban Development 3
Nepal			
Xiaoyan Ye	Principal Project Specialist	xiaoyanye@adb.org	Small Towns Water Supply and Sanitation Sector
Tomoo Ueda	Urban Development Specialist	tueda@adb.org	Urban and Environmental Improvement
Eva Maria Mayerhofer	Urban Development Specialist	emayerhofer@adb.org	Community Based Water Supply and Sanitation Sector Project 1&2
Keiichi Tamaki	Senior Urban Development Specialist	ktamaki@adb.org	Kathmandu Valley Water Services Sector Development; Melamchi Water Supply; Kathmandu Valley Water Distribution, Sewerage and Urban Development

Annex D Subscribed capital and voting power

Countries within the Asian and Pacific Region

ADB Member Country	Year of Membership	Subscribed Capital[a] (% of total)	Voting Power[b] (% of total)	Status
Japan	1966	15.780	12.942	Non borrowing
People's Republic of China	1986	6.516	5.530	Borrowing
India	1966	6.402	5.439	Borrowing
Australia	1966	5.850	4.998	Non borrowing
Indonesia	1966	5.507	4.723	Borrowing
Korea, Republic of	1966	5.094	4.393	Borrowing
Malaysia	1966	2.754	2.520	Borrowing
Philippines	1966	2.409	2.245	Borrowing
Pakistan	1966	2.203	2.080	Borrowing
New Zealand	1966	1.550	1.560	Non borrowing
Thailand	1966	1.377	1.419	Borrowing
Taipei,China	1966	1.100	1.199	Borrowing
Bangladesh	1973	1.032	1.143	Borrowing
Kazakhstan	1994	0.816	0.970	Borrowing
Uzbekistan	1995	0.681	0.862	Borrowing
Sri Lanka	1966	0.586	0.787	Borrowing
Hong Kong, China	1969	0.551	0.758	Borrowing
Myanmar	1973	0.551	0.758	Borrowing
Azerbaijan	1999	0.450	0.677	Borrowing
Viet Nam	1966	0.345	0.594	Borrowing
Singapore	1966	0.340	0.593	Borrowing
Kyrgyz Republic	1994	0.302	0.559	Borrowing
Tajikistan	1998	0.290	0.549	Borrowing
Turkmenistan	2000	0.260	0.522	Borrowing
Nepal	1966	0.149	0.436	Borrowing
Papua New Guinea	1971	0.095	0.393	Borrowing
Fiji Islands	1970	0.069	0.372	Borrowing
Cambodia	1966	0.050	0.357	Borrowing
Afghanistan	1966	0.034	0.345	Borrowing
Mongolia	1991	0.015	0.330	Borrowing
Lao PDR	1966	0.014	0.329	Borrowing
Timor-Leste	2002	0.010	0.325	Borrowing
Solomon Islands	1973	0.007	0.323	Borrowing
Vanuatu	1981	0.007	0.323	Borrowing

Bhutan	1982	0.006	0.322	Borrowing
Kiribati	1974	0.004	0.321	Borrowing
Maldives	1978	0.004	0.321	Borrowing
Federated States of Micronesia	1990	0.004	0.321	Borrowing
Nauru	1991	0.004	0.321	Borrowing
Tonga	1972	0.004	0.321	Borrowing
Cook Islands	1976	0.003	0.320	Borrowing
Marshall Islands	1990	0.003	0.320	Borrowing
Palau	2003	0.003	0.320	Borrowing
Samoa	1966	0.003	0.320	Borrowing
Tuvalu	1993	0.001	0.319	Borrowing
Sub Total		**63.235**	**64.879**	

Countries outside the Asian and Pacific Region

ADB Member Country	Year of Membership	Subscribed Capital[a] (% of total)	Voting Power[b] (% of total)
United States	1966	15.78	12.942
Canada	1966	5.29	4.549
Germany	1966	4.37	3.817
France	1970	2.35	2.2
United Kingdom	1966	2.07	1.97
Italy	1966	1.83	1.78
The Netherlands	1966	1.04	1.147
Switzerland	1967	0.59	0.79
Austria	1966	0.34	0.593
Belgium	1966	0.34	0.593
Denmark	1966	0.34	0.593
Finland	1966	0.34	0.593
Luxembourg	2003	0.34	0.593
Norway	1966	0.34	0.593
Portugal	2002	0.34	0.593
Spain	1986	0.34	0.593
Sweden	1966	0.34	0.593
Turkey	1991	0.34	0.593
Sub Total		**36.72**	**35.125**

Annex E ADB Resident Mission contact details in countries where WA works

Bangladesh Resident Mission

Plot No. E-31
Sher-e-Banglanagar
Dhaka 1207
GPO Box 2100
Telephone: +880 2 815 6000 - 8, 815 6009 - 16
Fax: +880 2 815 6018 - 19

India Resident Mission

4 San Martin Marg
Chanakyapuri
New Delhi 110021,India
P.O. Box: 5331
Chanakyapuri H.P.O.
New Delhi 110021,India
Tel. + 91 11 2410 7200
Fax: + 91 11 2687 0955
Email: adbinrm@adb.org
Website: http://www.adb.org/INRM

Nepal Resident Mission

Srikunj, Kamaldi, Ward No. 31
Post Box 5017
Kathmandu, Nepal
Tel: +977 1 422 7779
Fax: +977 1 422 5063
adbnrm@adb.org
www.adb.org/nrm

Pakistan Resident Mission

Overseas Pakistanis Foundation Building (OPF)
Sharah-e-Jamhuriyat, G-5/2,
Islamabad GPO Box 1863
Tel. No. +92 51 282 5011 – 16, 208 7300
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WaterAid – water for life
The international NGO dedicated exclusively to the provision of safe domestic water, sanitation and hygiene education to the world's poorest people.

www.wateraid.org

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