



WATER for ALL

ADB's Comprehensive Water Policy Implementation Review

**REPORT FROM THE FIRST WORK SESSION OF THE REVIEW PANEL
ADB HQ, MANILA, PHILIPPINES
9-13 MAY 2005**

May 2005

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I. INTRODUCTION

The Review Panel for ADB's water policy implementation review met for the first time at ADB HQ 9-13 May 2005. During this first work session panel members were briefed by staff on ADB's water operations, key priorities, and issues relevant to the review. The week-long agenda is included in Appendix 1. This report recaps the issues discussed and understandings reached during the first work session, and provides background information on ADB's water policy, review processes, and assessments to date. This report is the first deliverable of the comprehensive review process.

II. BACKGROUND ON ADB'S WATER POLICY AND REVIEW PROCESSES

A. ADB'S Water Policy and Review Process

In 2001, the Asian Development Bank (ADB) outlined its vision for integrated water management in the region in its "Water for All" water policy. The policy recognizes the Asia and Pacific region's need to formulate and implement integrated, cross-sectoral approaches to water management and development.

The principal elements of the water policy are as follows:

- Promote a national focus on water sector reform
- Foster the integrated management of water resources
- Improve and expand the delivery of water services
- Foster the conservation of water and increase system efficiencies
- Promote regional cooperation and increase the mutually beneficial use of shared water resources within and between countries
- Facilitate the exchange of water sector information and experience through partnerships
- Improve governance and capacity building

As stipulated in ADB's water policy, an in-house review of policy implementation was undertaken in the third year in 2003 and a more extensive comprehensive review led by an external expert review panel has been launched in 2005, five years after the policy was approved.

The purpose of the interim review was to assess how well the water policy has been integrated into ADB operations and to provide a progress report in advance of the comprehensive review.¹

The comprehensive review will build on the findings from the interim review and recent updates to the interim analysis to provide ADB and its various stakeholders with an assessment of progress to date to implement ADB's water policy and recommendations to improve ADB's water investments and operations in the future.

The comprehensive review has four core objectives:

- To assess performance or progress in the 7 key areas of the water policy
- To identify challenges, investment requirements, and opportunities
- To determine capacities and constraints in ADB and the DMCs (institutional, financial, human)
- To advise ADB's management if the policy needs to be revised or supplemented

As outlined in the final objective, the comprehensive review may result in recommendations to revise or supplement ADB's water policy. However, the focus of this review is to assess policy

¹ A summary of key findings and recommendations from the interim review is included in Appendix 4.

implementation. If recommendations are made to revise the policy itself, they will be taken up under a separate exercise.

B. Expert Review Panel

In accordance with ADB's water policy, ADB has commissioned an expert review panel to guide the comprehensive review of its water policy implementation. In the selection of the leading experts from the DMCs, ADB sought candidates with policy and decision-making experience in the water sector. Selection of panel members also considered a desirable range of expertise and experience across regional perspectives, gender, and key areas targeted in ADB's water policy: water sector reforms, water resources management, water service delivery, conservation, regional cooperation and communication, and governance.

The review panel consists of three leading experts from ADB's developing member countries (DMCs), and senior representatives from international NGO, private sector, and bilateral donor communities. The Special UN Ambassador for Millennium Development Goals in Asia and the Pacific, Ms. Erna Witoelar, has been appointed to serve as the Review Panel Chair. A list of the panel members and their home countries is provided below and a summary of their short biographies is attached in Appendix 2.

Review Panel Members

Erna Witoelar, Indonesia (Panel Chair)
Li Yuanyuan, People's Republic of China
Gilberto Llanto, Philippines
Ravi Narayanan, India/UK
Pradeep Singh, India
Annelie Hubach, Netherlands

C. Comprehensive Review Design and Key Components

The review will be conducted in a manner that ensures broad stakeholder participation, transparent proceedings and reporting, and wide dissemination of the policy and the results and recommendations of the review. Leading the review, ADB's review panel will be informed by feedback gathered at in-country consultations, regional workshops, water-related conferences, ADB staff workshops and surveys, and comments gathered on ADB's water website. Additional modalities may include interviews, case studies, desk study of loan, project and agreement documents, and involvement in external research studies relevant to the review.²

The review process will also be informed by experts from policy, practitioner and academic networks enlisted to inform the work of the panel and participate in the in-country consultations, and regional workshops where appropriate. Two Special Advisors will provide technical inputs, preparing papers and presentations to share during the second Review Panel meeting in August 2005. The Review Panel and its Special Advisors report to ADB Management through the Director General of ADB's Regional and Sustainable Development Department (RSDD).

² A timeline for major activities for the review is provided in Appendix 3 and an update of progress to date for each review modality is provided in Appendix 4. Regular updates are posted on ADB's website at <http://www.adb.org/water>.

II. SUMMARY FROM FIRST WORK SESSION OF REVIEW PANEL

A. Objectives

The main objectives of the panel's first work session were to:

- familiarize the panel with the review process, content, key issues, and materials
- connect the panel with ADB water operations staff and other HQ stakeholders in the review process
- determine the panel's resource and information needs
- finalize the conceptual framework for the review (methodology and scope)
- finalize expectations for participation in in-country consultations and assignments for each panel member
- map the process to deliver the final panel report.

B. Process

The Review Panel's first work session began with two days of issue briefings and presentations on ADB projects, processes, programs, and priorities. ADB staff briefed the review panel on each of the four key objectives of the comprehensive review, summarizing what progress has been made since the policy was approved and what issues remain the focus of this review. ADB staff also provided an update on the status of water sector and governance reforms in the DMCs, NGO involvement in ADB projects and the comprehensive review, and private sector participation in water service delivery in several of the DMCs.

The Review Panel met collectively and individually with water operations directors and members of the Water Sector Committee to discuss ADB's project cycle, the CSP process, and key challenges at ADB and in the DMCs related to ADB's water operations. Panel members also had the opportunity to meet with ADB staff heading up major initiatives tied to key priorities at ADB: poverty reduction, gender equality, capacity development, managing for development results and development effectiveness. Panel members were also given an individual work day to review materials and meet one-on-one with several ADB staff member.

During the last two days of the work session, the panel finalized the conceptual framework of core issues under review, created subcommittees for particular issues and identified individual assignments for each panel member. The panel also made commitments to attend the in-country consultations and made recommendations regarding issues and resources persons to be included in the consultation process.

C. Key Issues Discussed

Scope and Methodology of the Review

During the first work session, panel members acknowledged the findings from the 2003 interim review, which provides a solid "progress report" and a basis for the 2005 comprehensive review. The panel outlined its plans to strengthen and expand the methodology used in the interim review and incorporate its recommendations into the framework for the 2005 comprehensive review. The panel may consider developing different indicators to assess performance of loans versus technical assistance (TA) grants. The panel also discussed the water policy's 40 policy action statements, differentiating between aspirational and operational statements.³

³ The interim review identified 40 statements in the water policy which were translated into 40 "policy actions." Progress was assessed in the 7 key areas of the water policy across these 40 actions.

The comprehensive review will focus on the three key areas highlighted in ADB's water policy (water sector reforms, water resource management, and water service delivery), and the four cross-cutting issues (resource conservation, regional cooperation, partnerships, and governance). In addition to the seven key areas outlined in ADB's water policy, the comprehensive review will also consider a number of key internal and external issues and drivers relevant to implementing ADB's water policy and strengthening efforts to address the region's water sector needs. Panel members agreed on the following key focal areas:

Internal Drivers and Issues at ADB

- Investment partnerships with DMCs
- Internal water policy actions (development of skills mix, resources, use of available knowledge)
- Innovation and Efficiency Initiative
- Managing for Development Results Initiative
- Capacity Development Program
- Gender and Development Program
- Poverty Reduction Strategy (pro-poor sustainable growth, social development, good governance)
- NGO Framework: empowerment of and interactions with civil society
- Cooperation Fund for the Water Sector
- ADB's Financing Water Program
- Agenda for Change (from ADB Water Week 2004)

Broader Drivers and Issues

- Millennium Development Goals (MDGs)
- harmonization with MDBs and other donors
- dams and development (what is possible)
- public awareness and information
- knowledge management and partnerships
- private sector participation
- urban & rural linkages (balancing urban & rural development through water sector investments)
- disaster management with a pro-poor focus

Issues for Further Discussion

Panel members also raised several critical questions and shared their initial reflections on ADB's processes and projects, investments and reforms in the DMCs, preliminary indicators and processes used to assess the water policy, and the relevance of major findings. Key issues raised throughout the briefings include capacity development in the DMCs and within ADB, the unique needs of individual countries and the importance of the country context, the relationship between gender and water, NGO and civil society participation, public-private partnerships, and donor harmonization.

The following list provides a synopsis of additional issues raised by the review panel during the first work session that require further discussion.

Policies and Procedures

- connection between ADB policies and investment programs
- connection between the water policy, ADB's project cycle, and DMC's CSP: processes, resources and commitments
- stakeholder involvement at each stage of ADB's project cycle

Strategies and Investment Priorities

- regional approaches versus country approaches to strategies and projects
- investment opportunities: large investments in big projects versus smaller investments in smaller projects
- private sector participation and loan modalities to encourage local investment.

- ADB water operations and the Millennium Development Goals (MDGs)
- balancing ADB's dual roles as a development institution and as a lending bank
- prioritization of sector and subsector investments in light of finite resources
- dams and development: balancing environmental, social, and economic concerns

D. Timeline and Expected Outputs

The Review Panel will meet three times over the course of the review to examine various inputs, discuss stakeholder feedback, and prepare the Panel Report. The second meeting is expected to take place in Indonesia in late August in conjunction with the Indonesia in-country consultation and 2nd Southeast Asia Water Forum (29 August to 3 September). During the second session, Special Advisors to the panel are expected to present papers on key topics, and the Review Panel will finalize the outline of the Panel Report, which will be drafted for discussion at the regional consultation and final staff workshops planned for November. The final meeting of the review panel will take place in early December back at ADB HQ to finalize the panel report and recommendations to ADB Management.

The main text of the final Panel Report is expected to be no more than 15 to 20 pages. At the end of the final work session, the Panel Chair will submit this report to the Director General of ADB's Regional and Sustainable Development Department (DG RSDD) who is responsible for the review. In December 2005 the DG is expected to circulate the report to regional directors to collect interdepartmental comments. In January 2006 the Panel Chair would discuss these comments with DG RSDD and finalize the report. As stipulated in the policy, DG RSDD will submit the final report to Management for circulation to ADB's Board of Directors as a Board Information Paper. At this time, RSDD will also post the Panel Report on ADB's website.

In February 2006, ADB is expected to initiate follow up actions in response to the Panel Report. As outlined earlier, the review process may result in recommendations to revise or supplement ADB's water policy. However, the focus of this review is to assess policy implementation. If recommendations are made to revise the policy itself, they will be taken up under a separate exercise.

Throughout the review process, regular updates will be posted on ADB's website for comment: <http://www.adb.org/water>.

FOR MORE INFORMATION ABOUT THE REVIEW PANEL OR THIS REPORT:

Throughout the course of the Review Panel's engagement, regular communication with the Lead Facilitator, ADB Water Policy Implementation Review, will be maintained to monitor progress and to ensure that the review is completed on schedule. Her contact information is as follows:

Kathryn E. Nelson

Lead Facilitator, ADB Water Policy Implementation Review
Asian Development Bank (Regional and Sustainable Development Department)
+632 632 6744 (Direct Line)/knelson@adb.org
Visit our website at <http://www.adb.org/water>

Appendix 1: Agenda for the Review Panel's First Work Session

ADB WATER POLICY IMPLEMENTATION REVIEW REVIEW PANEL WORK SESSION Suite 9271W at ADB Headquarters, Manila, Philippines 9-13 May 2005

Agenda

Schedule at a Glance

Monday 9 May	INTRODUCTIONS: Welcome, introductions and overviews: initial briefings on review process, major issues tied to key objectives of the review, and recommendations from first ADB staff workshop and survey on the comprehensive review.
Tuesday 10 May	ISSUE BRIEFINGS: Briefings on internal and external issues, related ADB policies and strategies (PRS, MFdR, CD, DE) and key internal and external stakeholder groups and concerns (CFWS, WSC/WSN, NGO Center).
Wednesday 11 May	DESK REVIEW AND MEETINGS: Individual work day to review materials and meet one-on-one with key ADB Staff.
Thursday 12 May	PROJECTS, PROCESS AND PROGRAMS/PANEL ASSIGNMENTS AND OUTPUTS: Meeting with ADB Project and Operations Staff to see ADB's project cycle and CSP process in action. Presentation highlighting RSDD's water partnerships and programs. Initial discussions on proposed assignments, outputs, panel work sessions, and in-country consultations.
Friday 13 May	WRAP UP AND NEXT STEPS: Wrap up and final discussions on assignments, outputs, panel work sessions, and in-country consultations.

DAY 1: Monday, 9 May:

INTRODUCTIONS

8:30 – 9:00	Coffee and Registration
9:00 – 9:15	Welcome and Opening Remarks <i>Wouter Lincklaen Arriens, Lead Water Resources Specialist Regional and Sustainable Development Department, RSDD K.E. Seetharam, Senior Water Supply and Sanitation Specialist, RSDD</i>
9:15 – 9:30	Introduction of Review Panel Chair and Members <i>Erna Witoelar, Review Panel Chair</i>
9:30– 9:45	Orientation Materials, Overview of Week's Agenda, and Summary Timeline <i>Kathryn E. Nelson, Lead Facilitator, Water Policy Implementation Review, RSDD</i>
9:45 – 10:00	Introduction to ADB <i>Susan Hooper, External Relations Specialist, OER</i>

- 10:00 – 10:15 Overview of ADB's Water Policy
Wouter Lincklaen Arriens
- 10:15 – 10:30 Overview and Summary of 2003 Interim Review
K.E. Seetharam
- 10:30 – 10:45 Overview and Conceptual Framework for 2005 Comprehensive Review
Kathryn E. Nelson
- 10:45 – 11:00 Questions and Discussion
- 11:00 – 11:15 GROUP PHOTOGRAPH (for ADB Today and press release) TEA BREAK

Briefings on Key Objectives and Issues for Review

- 11:15 – 12:00 **Objective 1: Assess Policy Implementation Performance**
Summary of Quantitative Assessments
Wouter Lincklaen Arriens
- 12:00 – 12:15 Questions and Discussion
- 12:15 – 1:30 LUNCH *PDR*

Continuation of Key Objectives and Issues Briefings

- 1:30 – 2:00 **Objective 2: Identify Development Challenges, Investment Requirements, and Opportunities**
Results from ADB's First Staff Workshop and Survey
K.E. Seetharam
- 2:00 – 2:30 **Objective 3: Determine Capacities and Constraints in DMCs and at ADB**
Results from ADB's First Staff Workshop and Survey
Wouter Lincklaen Arriens
- 2:30 – 2:45 **Objective 4: Advise on Policy Additions or Revisions**
Wouter Lincklaen Arriens
- 2:45 – 3:15 Questions and Discussion
- 3:15 – 3:30 TEA BREAK
- 3:30 – 4:00 Presentation on ADB's Gender and Water Partnership
Jennifer Francis, Gender Specialist, RSPR
- 4:00 – 4:15 Questions
- 4:15 – 4:45 Water Voices Film: Walking for Water
- 4:45 – 5:00 Outline of Next Day's Agenda and Adjourn Meeting
Kathryn E. Nelson
- 5:00 – 6:30 COCKTAIL RECEPTION
Hosted by Wouter Lincklaen Arriens

DAY 2: Tuesday, 10 May:

ISSUE BRIEFINGS

--NOTE CHANGE IN VENUE FOR MORNING SESSIONS--

9:00 – 9:15 Overview of Day's Agenda
Kathryn E. Nelson
RSDD Conference Room 4734E

Internal Operations and Assessment Priorities

9:15 – 10:00 Internal Management of ADB's Water Operations:
Meeting with Water Operations Directors/Water Sector Committee (WSC)
Wouter Lincklaen Arriens
RSDD Conference Room 4734E

10:00 – 10:15 Questions

10:15 – 10:30 TEA BREAK

10:30 – 11:30 Water Policy Implementation and Key ADB Priorities
RSDD Conference Room 4734E

- A. *Poverty Reduction Strategy (PRS)*—introduced by *Shiladitya Chatterjee*,
Principal Poverty Reduction Specialist, Poverty Reduction and Social
Development Division (RSPR)
- B. *Capacity Development* – introduced by *Clay Wescott*, *Principal Regional*
Cooperation Specialist and Member of the Working Group on Capacity
Development, Governance and Regional Cooperation Division, (RSGR)
- C. *Managing for Development Results*, introduced by *Bruce Purdue*, *Head,*
Results Management Unit (SPRU), Strategy and Policy Department (SPD)
- D. *Development Effectiveness*, introduced by *David Edwards*, *Director,*
Operations Evaluation Department (OED)

11:30 – 12:00 Questions and Discussion

12:00 – 1:30 LUNCH *PDR*

External Assessment Issues: DMC Priorities, NGO Concerns, & Private Sector Participation

--RETURN TO SUITE 9271W FOR AFTERNOON SESSIONS--

1:30 – 2:00 Status of National Water Sector Reforms in the DMCs
Ellen Pascua, Water Policy Adviser, RSDD
Wouter Lincklaen Arriens

2:00 – 2:30 Water Voices Film: Breaking Barriers

2:30 – 3:00 Overview of NGO Framework: Issues and Involvement
Bart W. Edes, Head, ADB's NGO Center (NGOC), RSDD

3:00 – 3:15 Questions and Discussion

- 3:15 – 3:30 TEA BREAK
- 3:30 – 4:00 WaterAid Study on Donor Effectiveness and ADB's Water Policy Implementation: NGO Involvement to Inform the Review
Ravi Narayanan, CEO, WaterAid
- 4:00 – 4:15 Questions and Discussion
- 4:15 – 4:30 Private Sector Participation: Financing and Service Delivery
Stephen Wermert, Senior Structured Finance Specialist, Infrastructure Finance Division, PSIF
- 4:30 – 4:45 Questions and Discussion
- 4:45 – 5:00 Outline of Next Day's Agenda and Adjourn Meeting
Kathryn E. Nelson

DAY 3: Wednesday 11 May: DESK REVIEW AND MEETINGS

- 9:00 – 9:15 Welcome and Review of Individual Meeting Schedule
Kathryn E. Nelson
- 9:30– 4:00 Meetings with Key ADB Staff and Desk Review
(Meeting Schedule Included in Orientation Materials)
- 4:00 – 4:30 Outline of Next Day's Agenda and Adjourn Meeting
Kathryn E. Nelson

**DAY 4: Thursday, 12 May: PROJECTS, PROCESS, AND PROGRAMS
PANEL ASSIGNMENTS AND OUTPUTS**

- 9:00 – 9:15 Announcements and Overview of Day's Agenda
Kathryn E. Nelson
- 9:15 – 11:15 ADB's Project Cycle and CSP Process in Action
K.E. Seetharam, Senior Water Supply and Sanitation Specialist, RSDD
Abid M. Hussain, Economist/Country Programs Specialist, SAOC
Rudolf Frauendorfer, Senior Urban Development Specialist, SESS
M. Jamilur Rahman, Principal Project Specialist, SEAE
- 11:15 – 11:30 TEA BREAK
- 11:30 – 12:00 Overview Activities Supported by the Cooperation Fund for the Water Sector (CFWS)
Wouter Lincklaen Arriens
- 12:00 – 1:30 Lunch *PDR*
- 1:30 – 2:30 Panel Discussion on Individual Assignments, Division of Labor, and Outputs
Erna Witoelar, Review Panel Chair

- 2:30 – 3:00 Panel Discussion of August and December Work Sessions:
Session Outputs, Special Advisors, and Review Panel's Information Needs
Erna Witoelar, Review Panel Chair
- 3:00– 3:15 TEA BREAK
- 3:15 – 3:45 Water Voices Film: Upstream Downstream
- 3:45 – 4:45 Panel Discussion on Inputs to In-Country Consultations:
 - Themes and Key Resource Persons
 - Confirmation of Review Panel Attendance*Erna Witoelar, Review Panel Chair*
- 4:45 – 5:00 Outline of Last Day's Agenda and Adjourn Meeting
Kathryn E. Nelson

DAY 5: Friday 13 May:

WRAP UP AND NEXT STEPS

- 9:00 -- 9:15 Wrap up of the Week/Overview of Morning's Agenda
Kathryn E. Nelson
- 9:15 – 11:30 Panel's Final Discussion
 - Individual Assignments
 - Division of Labor and Outputs
 - August and December Work Sessions
 - Special Advisors
 - In-country Consultations
 - Endorsement of Report from First Work Session
 - Agreement on Next Steps*Erna Witoelar, Review Panel Chair*
- 12:00 – 1:30 CLOSING LUNCH *PDR*
- 1:30 – 4:30 *AFTERNOON FREE FOR INDIVIDUAL MEETINGS AS NEEDED*
Please contact Jennifer Vicedo to make arrangements.

Appendix 2: Short Biographies for Review Panel Members

Panel Chair

Ms. Erna Witoelar is the UN Special Ambassador for Millennium Development Goals in Asia and the Pacific. Before this post, she served as the Indonesian Minister of Human Settlements and Regional Development, responsible for the portfolio on housing & human settlements, public works, water resource management, and spatial planning. Ms. Witoelar also serves as the chairperson of the Indonesia Biodiversity Foundation (KEHATI) and is an Earth Charter Commissioner. She initiated several partnerships and organizations focused on governance and environmental reforms including the Partnership for Governance Reform in Indonesia and the Indonesian Forum for the Environment (WALHI) and provided leadership to others, serving as president of Consumers International and the Indonesian Consumer Foundation (YLKI). Ms. Witoelar received a masters degree in Chemical Engineering from the Bandung Institute of Technology, and completed post-graduate study in Human Ecology from the University of Indonesia.

Panel Members

Mr. Li Yuanyuan is the Deputy Chief Engineer and Professor of the Water Resources and Hydropower Planning and Design General Institute of the Ministry of Water Resources. In this capacity, he is spearheading several long-term water resource planning initiatives in the PRC focused on flood mitigation, infrastructure and land use, and national water sector development. Mr. Li also serves as the Secretary-General of the National Committee of International Water Resources Association and National Water Resources Planning Study Commission, Vice-Chairman of China Water Resources Association, China Natural Resources Association and is a Member of the International Collaborative Council of Water and Sanitation. Mr. Li obtained his B.S. in Hydrology and Water Resources from Chengdu Science and Technology University, PRC.

Mr. Gilberto Llanto is the Vice-President of the Philippine Institute for Development Studies (PIDS). Prior to this post, he has held various executive and technical (research) positions as a professional economist most recently with the National Economic and Development Authority (NEDA) as Deputy Director General [Under Secretary]. He currently serves as a Research Fellow with the Rural Development Research Consortium at the University of California, Berkeley, and is a member of the National Research Council of the Philippines and the International Association of Survey Statisticians. He is also a member of the Editorial Board of the Journal of Philippine Development. Mr. Llanto has chaired and served on the Board of Directors of several organizations including the Center for Training and Research in Agricultural Banking (CENTRAB), the Philippine Economic Zone Authority and the Philippine Economic Society. Mr. Llanto has conducted extensive economic research and policy work focused on financial markets, fiscal and monetary policy, agricultural finance, and public economics.

Mr. Ravi Narayanan is the Chief Executive of WaterAid, an international NGO focusing on the delivery of water and sanitation services and working on pro poor policy and advocacy issues worldwide. Prior to joining WaterAid, Mr. Narayanan was the Head of International Operations and Asia Director at ActionAid, where he previously directed programs for Africa, Asia and Latin America. He currently serves as a Trustee of Action on Disability and Development and is a member of the Water Supply and Sanitation Collaborative Council. Mr. Narayanan is also engaged as a Senior Associate with the National Institute of Advanced Studies. In addition to earning bachelors and masters degrees from Delhi and Cambridge Universities in Physics and Engineering, Mr. Narayanan has nearly two decades experience in engineering design, production, sales and general management in the UK and India.

Mr. Pradeep Singh is the President and CEO of IL&FS Infrastructure Development Corporation, which has established partnerships with the Federal Government and more than ten state governments in India for developing infrastructure projects in Public Private Partnership formats. Mr. Singh is a former member of the Indian Administrative Service and held several positions in state and central government before joining the IL&FS in 1997. He was also engaged in policy formulation and implementation of development programs that focused on the poor. Mr. Singh received a Masters of Public Administration degree from Harvard University and a MBA and M.Sc in Physics from Punjab University, India. He was also a Rotary International Graduate Fellow at Stanford University in the Department of Engineering Economic Systems.

Ms. Annelie Hubach is consultant to the Division for Environment and Water Resources Management of the Ministry of Foreign Affairs of the Netherlands. Ms. Hubach's work focuses on integrated water resources management and water and sanitation with respect to poverty and gender mainstreaming and institutional change. She is also engaged as advisor to the Netherlands' Council of Women assisting with policy and strategy development for the Women for Water Partnership. Prior to these engagements, she also served as an adviser with the Water Unit and Social Policy Division of the Ministry of Foreign Affairs of the Netherlands. Ms. Hubach obtained a Masters in Social Geography and Teaching Training College diploma from Vrije Universiteit van Amsterdam, with qualifications in Geography and History.

Appendix 3: Summary Timeline of Key Events

Month	Major Activities (dates)
2005	
January-March	PLANNING AND INCEPTION PHASE: <ul style="list-style-type: none"> ▪ Interview ADB operations directors and staff to secure initial feedback on the review design and Review Panel selection process ▪ Finalize Review Panel and Special Advisors recruitment and schedule ▪ Finalize schedule for in-country consultations and regional meetings ▪ Finalize communications strategy & schedule: coordinate with Water Awareness Program (WAP) ▪ Finalize design of review process and submit inception report presenting work plan
April	<ul style="list-style-type: none"> ▪ ADB Staff Workshop: Water Sector Network (WSN) and ADB water operations staff (12) ▪ Training Workshop for National River Basin Management Organizations (NARBO) Colombo, Sri Lanka (24-29) ▪ 2nd Regional Meeting of Apex Bodies in Bangkok, Thailand (27-29)
May	<ul style="list-style-type: none"> ▪ Review Panel Work Session #1: ADB HQ (9-13)
June	<ul style="list-style-type: none"> ▪ SEAWUN Convention on Water and Wastewater in Southeast Asia in Hanoi, Vietnam (7-9) ▪ Roundtable on Private Sector Participation in Urban Water Supply, Bangalore, India (15-16) ▪ In-country Consultation #1: CAMBODIA (1.5 days) (23-24)
July	
August	<ul style="list-style-type: none"> ▪ In-country Consultation #2: FIJI (1.5 days) (11-12)* ▪ Review Panel Work Session #2: Bali, Indonesia (4 days) (25-26, 30-31) ▪ In-country Consultation #3: INDONESIA (1 day) (27) ▪ 2nd Southeast Asia Water Forum in Bali, Indonesia (29-5)
September	<ul style="list-style-type: none"> ▪ In-country Consultation #4: KAZAKHSTAN (1.5 days) (15-16) ▪ In-country Consultation #5: INDIA (1.5 days) (TBD)
October	<ul style="list-style-type: none"> ▪ Proposed Water Week (15-17 or 17-19) ▪ In-country Consultation #6: PRC (20) ▪ 2nd International Yellow River Forum in PRC (18-21)
November	<ul style="list-style-type: none"> ▪ Regional Consultation at ADB HQ (2-day) (17-18) ▪ In-country Consultation #7: PHILIPPINES (1.5 days) (TBD) ▪ ADB Staff Workshop #2 (one-day) (TBD)
December	<ul style="list-style-type: none"> ▪ FINAL Review Panel Work Session #3: ADB HQ (5-9)
2006	
January	FINAL STEPS OF REVIEW PROCESS: <ul style="list-style-type: none"> ▪ DG RSDD and Panel Chair discuss interdepartmental comments and finalize the Panel Report ▪ DG RSDD submits report to ADB's Management for endorsement to circulate to ADB's Board of Directors as a Board Information Paper (as stipulated in the policy) ▪ RSDD posts Panel Report on ADB website
February	<ul style="list-style-type: none"> ▪ ADB initiates follow up actions in response to the Panel Report

Appendix 4: Summary of Assessments and Review Processes to Date

A. 2003 Interim Review

In 2003, ADB conducted an interim review to assess the implementation of ADB's water policy approved in 2001. This review identified 40 policy actions in the seven policy areas and examined how these had been integrated into the 117 ADB loans and TAs.

Scope

The scope of the review encompassed the following:

- water assessments and policy dialogue in DMCs
- design of loan and technical assistance projects
- response to ADB's poverty reduction strategy
- progress of regional cooperation
- internal ADB actions
- impact of ADB's 2002 reorganization on policy implementation
- impact of the Cooperation Fund for the Water Sector on operations

Methodology

The interim review was an in-house exercise relying on information gathered through desktop analyses of project documents, completion of checklists for policy actions, and surveys of regional directors. While the process was internal, the report was posted on the website to secure comments from DMCs and NGOs.

Key Findings

The review determined that ADB had made encouraging progress to help its clients expand the delivery of water services, conserve water, foster participation, and improve governance. ADB made modest progress in fostering integrated water resource management (IWRM) and in promoting regional cooperation. Key findings include the following:

- 54% of ADB's water loans approved after the water policy's adoption are consistent with the policy
- 20% of water TA projects examined were consistent with the policy
- 29% of DMCs with ADB water financing operations conducted comprehensive water assessments (5 in 17)
- 53% of DMCs have national water policies in place (9 in 17)
- 59% of DMCs are conducting national water sector reforms (10 in 17)

Significant gains were also made by DMCs to involve more stakeholders in their efforts to adopt reforms and improve governance in the water sector. ADB also achieved positive gains in improving information dissemination, capacity building, monitoring and coordination for the operations departments. Moreover, the Cooperation Fund for the Water Sector provided much-needed additional resources to catalyze policy implementation while also providing a strategic framework and creating synergy among ADB's water operations. Additionally, ADB's reorganization in January 2002 provided considerable additional support to operational departments through the Water Sector Committee and Network, supported by the water focal point (Water Team) in the Regional and Sustainable Development Department.

Key Recommendations

The interim review resulted in recommendations for internal ADB actions as well as external actions in the DMCs. Key recommendations are as follows:

In the DMCs: Pursue national water sector reforms, develop capacity, & address financing issues.

1. *Conduct comprehensive water sector assessments* to guide sector-level policy dialogues and develop national policies. Only 5 in 17 DMCs with water operations completed comprehensive national water sector assessments. While 9 of these DMCs had national water policies in place and 10 are engaging in water sector reforms, no sector-level policy dialogues had taken place at the time of the interim review.
2. *Increase investments* in institutional development at sector and sub-sector levels.
3. *Adopt new financing methods*, particularly with the private sector, and for cost recovery.

Within ADB: Embed the water sector and the water policy better in CSP processes and in the project cycle, and strengthen water staffing.

1. *Operations departments to improve project design* to be more consistent with the water policy, in particular in TAs. Only 20 percent of the TAs were consistent with the water policy.
2. *ADB to adopt water management as a thematic classification*, including both the delivery of water services and the management of water resources, as advocated in the water policy.
3. *ADB to improve staff strength in water specialists*, particularly in policy and institutional development, water quality and wastewater management, social sciences and resource economics, and private sector participation.

Overall, the review resulted in three key overarching recommendations focused on policy dialogue and sector reforms, development priorities and investments, and measurable indicators and best practices. Key points for each recommendation are as follows:

Undertake Policy Dialogue and Promote Sector Reforms.

1. Conduct more comprehensive national water sector assessments:
2. Develop and refine water sector roadmaps as the critical foundation for CSP/U preparation.
3. Provide advice in developing and testing policy dialogue with DMCs and replicating the results.

Review Development Priorities in DMCs and Align Investments

1. Examine development priorities in preparation of CSP/Us to increase water sector investments.
2. Prioritize ADB resources to support comprehensive water sector assessments, reforms and development needs in the DMCs so that the most urgent needs can be met within the budget constraints and TA and lending ceilings.
3. Consider modalities to conduct sector assessments and support sector reforms beyond PPTA.

Develop Guidelines for Project Design, Establish Measurable Indicators, and Disseminate Best Practices

1. Establish guidelines, checklists and generic terms of reference for water project designs and projects with significant water components.
2. Align guidelines and checklists with the 40 actions outlined in the water policy, incorporating key elements of the poverty reduction strategy (pro-poor sustainable growth, social development, and good governance), and targeting harmonization with other aid organizations' efforts and global benchmarks e.g. the MDGs and the World Bank Water Resources Strategy.
3. Disseminate examples of well-designed projects and project frameworks with measurable indicators linked to water policy requirements.

ADB's Response to Interim Review Recommendations

ADB has responded to nearly every recommendation with some measure of follow-up action since the interim review concluded. Key initiatives underway are summarized in the table below.

Priority Area	Initiatives Underway
Water Sector Reforms, Priorities and Process DMC and CSP	Starting with the 4 th Phase RETA under the water fund approved in 2004, support was offered to operations divisions on a pilot basis for water sector assessments and policy dialogue in DMCs, and CSP preparation.
Capacity Development and Knowledge Management	The Water Sector Committee approved a capacity development program for DMC and ADB water staff focused on knowledge management (KM) for water reforms. KM applications were developed for launch in 2005 to improve information and experience sharing.
Financing Issues	In 2004, RSDD launched a Financing Water program to address critical water financing issues. Specific initiatives to date included: advocacy package on tariff reform, pilot implementation of small piped water networks, and financing for small-scale piped networks.

The interim review also highlighted the need to revise the policy provision for large water resources projects that involve dams. The recommendation involved modifying the impractical requirement for all stakeholders to agree on the justification of large water resources projects with the provision that, "...stakeholders must be provided the opportunity to comment regarding the justification with their views considered. The ADB will promote the participation of government, civil society and other stakeholders in the country towards this end."

The review noted that while ADB should continue to pursue a cautious approach to projects involving dams, it is impractical to expect all stakeholders to agree on the justification for such projects. The Water Sector Committee recommended to revise the policy provision in the context of ADB's new accountability mechanism, and to reflect how ADB can promote the participation of stakeholders in project preparation. Water agencies, NGOs, and other interested stakeholders were invited to send their comments in 2004. The comments received were reviewed, and a revised proposal was submitted and approved by ADB's Management and Board of Directors in January 2005.

B. 2004-2005 Updated Analyses

ADB is conducting an update to the interim review analysis to include projects through 2004. The expanded study attempts to quantify outputs achieved under each of the seven key elements and 40 policy actions of the water policy. How many river basin organizations (RBOs) and national apex bodies have been formed? How many national water policies have been enacted? ADB aims to finish this updated assessment in time for discussion during the Review Panel's second work session scheduled 25-31 August in Bali, Indonesia.

C. Progress to Date on Comprehensive Review Modalities

▪ In-country Consultations:

ADB expects to conduct seven in-country consultations for the comprehensive review. The schedule listed below has been coordinated with the Resident Missions, related regional events, and other ADB policy reviews planned for 2005. The consultations will be scheduled in countries

representing the five regions ADB serves and involve stakeholders from national and sub-national levels of government, elected representatives, civil society including NGOs and academe, private sector, the media, and other institutions involved in water sector related work. In selecting participants and outlining the agenda, ADB will strive for a balanced representation across geography, ethnicity, gender, and the main subsector and thematic areas outlined in ADB's work.

The consultations are expected to take place during the months of June to November 2005. The in-country consultations are designed to generate feedback on policy implementation and other inputs to improve water operations, considering:

- experience in implementing the water policy
- achievements and lessons learned
- challenges and investment requirements
- opportunities and areas for improvement
- issues specific to the country and region that require attention

Review Panel members plan to participate in in-country consultations, interacting with various stakeholder groups across the region.

- Regional Events and Workshops

Throughout the review process, ADB expects to participate in several regional events to secure feedback through surveys circulated to stakeholders and conference participants and to share progress reports on the review. In addition to attending regional events, ADB is working with PRC to organize Water Week 2005, tentatively scheduled for 17-19 October 2005. ADB also expects to gather representatives from the in-country consultations at a regional workshop at ADB HQ in Manila to provide a synthesis of the in-country consultations and advice on key topics and themes.

The schedule to date for the regional and in-country consultations is listed below.

Table 1: Tentative Schedule for Regional and In-country Consultations

Country	Regional Department	Proposed Dates
<i>In-country</i>		
Cambodia (Phnom Penh)	Mekong	23-24 June 2005
Fiji (Suva)	Pacific	9 August 2005
Indonesia (Bali)	SERD	25 August 2005
Kazakhstan (Almaty)	ECRD	15-16 September 2005
India (New Dehli)	SARD	28-29 September 2005
PRC (Zhengzhou)	ECRD	21 October 2005
Philippines (Manila)	SERD	October/November 2005
<i>Regional Events</i>		
PRC	Proposed Water Week	17-21 October 2005
Philippines	Regional Workshop	17-18 November 2005

- ADB Staff Workshops

ADB will organize in-house staff workshops and circulate surveys to elicit feedback from ADB's water operations directors and Water Sector Committee and Network staff members and consultants. ADB staff workshops and surveys aim to:

- review and respond to key findings and recommendations from the 2003 interim review

- outline the expanded scope of the 2005 comprehensive review
- secure feedback on ADB's performance and progress to address key water sector priorities
- identify benchmarks and criteria to measure ADB's progress in implementing the water policy
- identify key constraints facing water operations staff and ADB clients
- identify necessary resources or technical inputs to improve implementation of ADB's water policy
- identify priority investments and business opportunities that ADB should pursue in the next year.

In April 2005, more than 30 staff (WSN and water operations colleagues) attended the first ADB staff workshop to help launch the comprehensive review and address key issues raised during the 2003 interim review. A very short survey targeting the members of the Water Sector Network (WSN) and other water project staff has also been circulated and initial responses from approximately 30 staff members have been tabulated. This "5-Minute Pulse Check" was designed to gauge perceptions on performance, constraints, and lending that could boost ADB's water operations in the next year.

Among respondents, there is a general consensus that ADB is making modest gains to promote national water sector reforms, implement IWRM, foster regional cooperation, conservation, and governance. However, several respondents stressed the need to improve efforts to promote national water sector reforms and water conservation. Perceptions were somewhat aligned regarding key constraints facing water policy implementation as capacity development, water sector reforms, and financing issues all ranked high. Capacity development in the DMC's was identified as the greatest constraint facing ADB staff and clients in implementing the water policy.

- Client and Stakeholder Survey and Website

As mentioned earlier, ADB expects to participate in several regional events to secure feedback through surveys circulated to stakeholders and conference participants and to share progress reports on the review. A client and stakeholder survey is also available on line at <http://www.adb.org/Water/Policy/review-draft-paper.asp>. Throughout the review process this website will serve as a clearinghouse for information about the comprehensive review and feedback from ADB stakeholders.

D. External Studies Relevant to the Review

ADB has recently partnered with international NGO, WaterAid, which is conducting a donor effectiveness study and preparing its NGO partners for constructive engagement in ADB's review process through discussion of the findings of their study. The review process could benefit in many ways from this partnership. As WaterAid outlines in its own concept papers, their effectiveness study should underscore the fact that ADB's policy implementation review is acknowledging independent evidence-based reviews and employing participatory approaches to NGO involvement in the Review process.

ADB staff will also monitor and take part in relevant regional activities such as critical research studies or evaluations to inform and improve the review process. Importantly, ADB is preparing the second progress report on MDGs in Asia in coordination with UNDP and UNESCAP. Moreover, ADB will take the lead in preparing a technical background paper specifically on water and the MDGs, which will be launched in August shortly before the second work session of the Review Panel.