



*WATER for ALL*

# **ADB's Comprehensive Water Policy Implementation Review**

**REPORT FROM THE FINAL WORK SESSION OF THE REVIEW PANEL**

**MANILA, PHILIPPINES**

**2-6 DECEMBER 2005**

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## **I. INTRODUCTION**

The Review Panel's Final Work Session for ADB's water policy implementation review took place at ADB HQ 2-6 December 2005. Meetings were planned in Manila to allow Review Panel members to meet with ADB operations staff to discuss final inputs and preliminary recommendations before the Panel prepared its final report. The agenda is included in Appendix 1. This report recaps the issues discussed, outlines the understandings reached during the final work session, and provides background information on ADB's water policy, review processes, and assessments to date. Reports from all Review Panel work sessions are posted on ADB's website.

## **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.<sup>1</sup>

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

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<sup>1</sup> 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 has been 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 has been informed by feedback gathered at consultations, water-related conferences, ADB staff workshops and surveys, and comments gathered on ADB's water website. Additional modalities have included interviews, case studies, desk study of loan, project and agreement documents, and involvement in external research studies relevant to the review.<sup>2</sup>

The review process has been 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 Advisers have provided technical inputs, preparing papers and presentations to inform the panel throughout the review process. The Review Panel and its Special Advisers report to ADB Management through the Director General of ADB's Regional and Sustainable Development Department (RSDD).

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<sup>2</sup> 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>.

### III. SUMMARY FROM THE FINAL WORK SESSION OF THE REVIEW PANEL

#### A. Objectives

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

- discuss final updates on key inputs for the review e.g. special adviser papers, survey results, and feedback from final consultations
- connect the panel with ADB HQ water operations staff to dialogue on recommendations
- finalize key findings and recommendations
- discuss the modality for follow on actions to the review process

#### B. Process

The Review Panel's final work session began with a meeting with ADB water operations staff to discuss the Panel's preliminary recommendations. Following the staff session, the Panel met to discuss final updates on the various review modalities, including comments submitted during the recent civil society consultation, summary report for the final survey results, and a synthesis of key findings and recommendations from all 7 consultations. The panel worked through the weekend to finalize key findings and recommendations for presentation to RSDD's Management on Monday afternoon. During the last day of the work session, the panel drafted an action plan to accompany its recommendations to ADB.

#### C. Key Issues Discussed

In preparation for the final session the panel reviewed recent inputs to inform their initial assessments of progress, challenges, and required actions in the key areas outlined in ADB's water policy: national water sector policies and sector reforms, water resource management, and water service delivery. Based on this review, the panel identified the most critical remaining challenges which its recommendations would address: the low priority given to water in the DMCs, governance and institutional constraints in the DMCs, donor harmonization, social and environmental impacts (inclusion, well-informed participation, conservation and preservation), capacity constraints within ADB, bridging the gap between DMCs and ADB through the CSP and water sector roadmaps, financing affordable, efficient, equitable, cost-effective and sustainable water service delivery, and the need for ADB to clarify its position on subsidies, tariff reform, cost recovery, O & M, and private sector participation.

#### D. Timeline and Expected Outputs

The Review Panel met four times over the course of the review to examine various inputs, discuss stakeholder feedback, and prepare the Panel Report. The first meeting took place at ADB HQ 9-13 May 2005. During the first work session panel members were briefed by staff on ADB's water operations, key priorities, and issues relevant to the review. The second meeting took place in Indonesia in late August to allow the panel to attend the in-country consultation in Jakarta and the Southeast Asian Water Forum in Bali. During its second meeting, the panel reviewed updates on key components of the review and finalized the outline of the Panel Report. During the panel's third meeting, 18-20 October 2005 at ADB HQ, the review panel discussed feedback from the in-country consultations and surveys, participated in the private sector consultation, and met with ADB operations staff. As cited earlier, the final panel meeting took place in early December 2005 at ADB HQ in Manila.

During the final work session, the Panel considered final inputs to the review process and finalized the content and format of its findings, recommendations, and action plan for submission to ADB Management in early 2006. At the end of the final work session, the Panel Chair presented the

Panel's key findings and recommendations to the Director General of ADB's Regional and Sustainable Development Department (DG RSDD) who is responsible for the review. The Panel worked independently to complete the Panel Report by the end of December 2005.

During the first quarter of 2006, DG RSDD will circulate the Panel's Report to ADB's regional departments and resident missions for comment and will submit the final report to ADB Management for circulation to ADB's Board of Directors as a Board Information Paper. At this time, ADB will also post the Panel Report on ADB's website for external circulation.

During the second quarter of 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**

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Visit our website at <http://www.adb.org/water>

## Appendix 1: Agenda for Review Panel Work Session

**ADB WATER POLICY IMPLEMENTATION REVIEW  
FINAL REVIEW PANEL WORK SESSION**  
*Suite 9271W at ADB Headquarters, Manila, Philippines*  
**2-6 December 2005**

### **FINAL AGENDA**

#### **Schedule at a Glance:**

<b>Friday, 2 December</b>	<b>SESSION WITH ADB OPERATIONS STAFF/REVIEW PANEL MEETING:</b> updates on survey results and consultations, review of individual assignments on report and gaps, lunch with Water Sector Committee, courtesy call with Vice President Gerry van der Linden, and meeting with Mission Leader conducting review of the Cooperation Fund for the Water Sector (CFWS).
<b>Saturday, 3 December</b>	<b>INDIVIDUAL WORK TIME AT HOTEL/REVIEW PANEL MEETING AT ADB:</b> individual work time for assignments in the morning at hotel, reconvene at ADB HQ in the afternoon to discuss the panel report.
<b>Sunday, 4 December</b>	<b>SPECIAL ADVISERS ARRIVE/REVIEW PANEL MEETING:</b> discussion of panel recommendations with Special Advisers and preparation of key messages for presentation to RSDD management.
<b>Monday, 5 December</b>	<b>REVIEW PANEL MEETING:</b> preparation and presentation of report and recommendations to RSDD management, and lunch with Mission Leader conducting review of the Cooperation Fund for the Water Sector (CFWS).
<b>Tuesday, 6 December</b>	<b>FINAL REVIEW PANEL MEETING:</b> discussion of final outputs to submit to ADB management and preparations for follow on activities, and closing lunch hosted by DG Lohani.

**Friday 2 December:**

8:30 – 9:00            Courtesy Call with RSDD Management  
*Office of VPKM, Gerry van der Linden 8721E*  
*Review Panel*

**--MORNING SESSIONS WILL BE HELD IN THE BRIEFING AND DISPLAY ROOM--**

9:00 – 9:15            Welcome and Opening Remarks  
*Erna Witoelar, Review Panel Chair*

9:15 – 9:45            Background Materials, Overview of Agenda, and Key Updates  
*Kathryn E. Nelson, Lead Facilitator, Water Policy Implementation Review,*  
*RSDD*

9:45 – 10:00          TEA BREAK

10:00 – 12:00        Discussion with ADB Water Operations Staff  
*Erna Witoelar, Review Panel Chair*

12:00 – 1:30          LUNCH with Water Committee  
*Hosted by WooChong Um, Director, RSID (PDR 6)*

**--AFTERNOON SESSIONS WILL RESUME IN SUITE 9271W--**

1:30 – 3:30            Panel Discussion on Panel Report:  
Addressing the Gaps and Finalizing the Format  
*Erna Witoelar, Review Panel Chair*

3:30 – 4:00            TEA BREAK

4:00 – 5:00            Panel Discussion with Bert van Woersem, Mission Leader  
for the Review of the Cooperation Fund for the Water Sector (CFWS)  
*Erna Witoelar, Review Panel Chair*

5:00 – 6:00            Panel Discussion on Panel Report:  
Addressing the Gaps and Finalizing the Format  
*Erna Witoelar, Review Panel Chair*

**\*Saturday, 3 December:**

9:30 – 12:00	Individual Work Time (at hotel) <i>Erna Witoelar, Review Panel Chair</i>
12:00 – 1:30	LUNCH (on your own)
1:30 – 3:30	Panel Discussion on Final Panel Report (at ADB HQ) <i>Erna Witoelar, Review Panel Chair</i>
3:30 – 4:00	TEA BREAK
4:00 – 7:00	Panel Work Time

*Over the weekend, Bert van Woersem, Mission Leader for the review of the Cooperation Fund for the Water Sector (CFWS) will contact individual panel members to secure feedback that would be helpful in the review of the Fund.*

**Sunday, 4 December:**

10:00 – 10:15	Welcome and Opening Remarks <i>Erna Witoelar, Review Panel Chair</i>
10:15 – 11:15	Panel Discussion with Special Advisers on Draft Report and Recommendations <i>Erna Witoelar, Review Panel Chair</i>
11:15 – 11:30	TEA BREAK
11:30 – 12:30	Panel Discussion to Finalize Recommendations and Key Messages for Presentation to RSDD Management <i>Erna Witoelar, Review Panel Chair</i>
12:30 – 1:30	LUNCH with Special Advisers (PDR 4)
1:30 – 3:30	Panel Discussion with Special Advisers Continues <i>Erna Witoelar, Review Panel Chair</i>
3:30 – 4:00	TEA BREAK
4:00 – 7:00	Panel Discussion and Work Time on Final Presentation <i>Erna Witoelar, Review Panel Chair</i>

**Monday, 5 December:**

- 9:00 – 9:15            Overview of the Day’s Agenda  
*Kathryn E. Nelson*
- 9:15 – 10:45           Panel Discussion to Finalize Panel Report  
*Erna Witoelar, Review Panel Chair*
- 10:45 – 11:00           TEA BREAK
- 11:00 – 12:00           Panel Discussion on Final Report Continues: Advance Distribution of Panel  
Presentation and Report to RSDD Management  
*Erna Witoelar, Review Panel Chair*
- 12:00 – 1:30           LUNCH with Bert van Woerseem (PDR 4)
- 1:30 – 2:45            Panel Preparation for Presentation of Report and Recommendations  
*Erna Witoelar, Review Panel Chair*
- 2:45 – 3:00            TEA BREAK
- 3:00 – 5:00            Review Panel’s Presentation to RSDD Management:  
    ▪ Review Panel Chair’s Overview of Report’s Key Messages  
    ▪ Individual Review Panel Members Present Highlights  
    ▪ Review Panel Chair Presents Recommendations  
    ▪ Special Advisers Highlight Their Contributions  
    ▪ Q & A with RSDD Management  
*Erna Witoelar, Review Panel Chair*

**Tuesday 6 December:**

**WRAP UP AND NEXT STEPS**

- 9:00 – 11:00      Panel Discussion: Final Outputs and Next Steps
- Review and Finalize Panel Report and Recommendations
  - Discuss Submission of Final Panel Report to ADB Management
  - Discuss Follow up Actions: Next Phase of Review Process
- Erna Witoelar, Review Panel Chair*
- 11:00 – 11:30      TEA BREAK: *(Panel Members complete session evaluation)*
- 12:00 – 1:30      CLOSING LUNCH (PDR 4)  
*Hosted by Bindu Lohani, DG, RSDD*
- 1:30 – 3:30      Panel Discussion: Final Outputs and Next Steps
- Review and Finalize Panel Report and Recommendations
  - Discuss Submission of Final Panel Report to ADB Management
  - Discuss Follow up Actions: Next Phase of Review Process
- Review Panel and Lead Facilitator*
- 3:30 – 4:00      TEA BREAK
- 4:00 – 5:00      Panel Discussion: Final Outputs and Next Steps
- Review and Finalize Panel Report and Recommendations
  - Discuss Submission of Final Panel Report to ADB Management
  - Discuss Follow up Actions: Next Phase of Review Process
- Review Panel and Lead Facilitator*
- 5:00 – 5:15      Closing Remarks and Adjourn Meeting  
*Wouter Lincklaen Arriens, Lead Water Resources Specialist, RSID ADB*