



ADB's Water Policy Implementation Review

Asian Development Bank

BACKGROUND BRIEF ON ADB'S WATER POLICY IMPLEMENTATION REVIEW FOR PARTICIPANTS OF THE CIVIL SOCIETY CONSULTATION

WATER for ALL

NOVEMBER 2005

[DRAFT: NOT FOR CIRCULATION]

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I. INTRODUCTION

The consultation process is a key component of ADB's comprehensive review of water policy implementation. Five in-country multi-stakeholder consultations throughout the region have been conducted to secure feedback from stakeholders in ADB's developing member countries (DMCs). The consultations have been scheduled in countries representing the five regions ADB serves and involve stakeholders from national and sub-national levels of government, civil society including NGOs and academe, private sector, the media, and other stakeholders involved in water sector related work. The first consultation meeting was held in Cambodia in June 2005, the second in Fiji Islands, the third in Indonesia in August 2005, the fourth in Kazakhstan, and the fifth in India in September 2005.

Civil society plays an important role in improving water services. As such, a separate consultation is being organized to further generate and discuss civil society views, interests, roles, and contributions to the water sector. The consultation for civil society will take place in Manila, Philippines on 17-18 November, 2005. This consultation brief provides background information on ADB's water policy and review processes and outlines the agenda for this consultation.

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 goals outlined in 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 in the future.

The comprehensive review has four core objectives:

1. To assess performance or progress in the 7 key areas of the water policy

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

2. To identify challenges, investment requirements, and opportunities
3. To determine capacities and constraints in ADB and the DMCs (institutional, financial, human)
4. To advise ADB's management if the policy needs to be revised or supplemented

As outlined in the fourth 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 progress and experience in policy 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 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, knowledge sharing through partnerships, and governance.

The review panel consists of three leading experts from ADB's developing member countries (DMCs), and senior representatives from NGO, private sector, and bilateral donor communities. The Special UN Ambassador for Millennium Development Goals in the Asia and the Pacific region, 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. Review Design

Key Components and Methodology

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, surveys, and comments gathered on ADB's water website. Additional modalities 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 has benefited from 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

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>.

and presentations to share with 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).

Scope

The review focuses 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, knowledge sharing through partnerships, and governance). In addition to the seven key areas outlined in ADB's water policy, the comprehensive review also considers 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:

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

D. Timeline and Expected Outputs

The Review Panel will meet 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. During the second meeting, the panel reviewed updates on key components of the review and finalized the outline of the Panel Report. As outlined earlier, during the 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. The final meeting of the panel will take place in early December 2005 in Manila, during which the panel is expected 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.

III. CONSULTATIONS

A. Objectives and Process

ADB has conducted five in-country consultations and two other consultations on key topics to inform the comprehensive review. The in-country consultations 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 sub sector and thematic areas outlined in ADB's work. The consultations took place during the months of June to November 2005 and were 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 have participated in the consultations, interacting with various stakeholder groups across the region.

Table 1: Consultation Schedule

Country	Regional Department	Proposed Dates
<i>In-country³</i>		
Cambodia (Phnom Penh)	Mekong	23-24 June 2005
Fiji (Suva)	Pacific	9-10 August 2005
Indonesia (Jakarta)	SERD	25/27 August 2005
Kazakhstan (Almaty)	ECRD	15-16 September 2005
India (New Delhi)	SARD	28 September 2005
<i>Other Consultations</i>		
ADB HQ (Manila)	Private Sector Consultation	18 October 2005
ADB HQ (Manila)	Civil Society Consultation	17-18 November 2005

Each in-country consultation included an opening program featuring remarks by representatives from the appropriate government ministries, regional bodies, ADB's resident mission, and other representatives as coordinated through the resident mission. Other key components included a film introducing the water policy, overview presentations on ADB's review processes, innovative project presentations, multi-stakeholder dialogue, surveys, individual and group work, and site visits for the

³ The consultation itself is a one-day exercise. The second day listed in the table is allotted for possible site visits for the Review Panel members present.

Review Panel member present where possible. Individual and group exercises during the consultation included two surveys, breakout group exercises, and plenary discussions.

B. Key Questions and Focus of In-country Consultations

Through individual and group work, participants were asked to provide their assessment of ADB's water policy implementation, highlighting progress, remaining challenges and constraints, and required actions to improve performance in key areas outlined in the policy: water sector reforms, integrated water resources management, and water services delivery both in water supply and sanitation and irrigation and drainage. Participants were also asked to recommend necessary investments and new opportunities that ADB should pursue in the short and medium-term to improve water sector operations. Questions focus on issues of coverage and efficiency, capacities and sustainability, as well as affordability, access, participatory practices, and social and environmental concerns.

Participants were also given the opportunity to share any additional concerns or issues that were not covered in any of the consultation exercises. A form to record additional feedback was included in each consultation seminar kit with the consultation evaluation. ADB also provided the opportunity during the final hour of each consultation for participants to share additional comments or reflections on the day.

C. Focus of the Civil Society Consultation

During the civil society consultation, participants will be asked to contribute their views through a survey⁴, panel-led plenary discussion, and small breakout group discussions. The consultation aims to secure feedback from a range of civil society organizations including knowledge management, service, education, and advocacy organizations, to inform the review and improve ADB's water operations. The consultation will focus on:

- ADB's experience in implementing the water policy
- achievements and lessons learned and opportunities for improvement
- challenges and constraints
- investment priorities
- empowerment of civil society and opportunities for partnership
- issues that require attention e.g. improving responsiveness of ADB's water operations to the needs of the poor

A. CASE PRESENTATIONS:

Civil Society's Feedback on ADB's Water Projects and Civil Society's Role in ADB Water Projects

A total of four case presentations will be made during the consultation: two from NGOs and two from ADB. NGO presentations will focus on evidence-backed assessment of ADB projects and recommendations to improve the implementation of ADB's water policy. ADB presentations will address the following key questions:

1. CONTRIBUTIONS: How does the project contribute to progress in the water sector?

⁴ A copy of the survey is included in Appendix 5.

2. CIVIL SOCIETY ROLE: What are the key roles/ contributions made by civil society in achieving project success/ impact?
3. CHALLENGES: What are the key challenges facing this project?
4. INNOVATION AND BEST PRACTICES: What is the innovative "added value" of the project? What can other projects learn from the project?

B. WORKSHOP: *Civil Society Concerns and Recommendations*

The workshop is another venue for civil society participants to articulate their major concerns and issues in the key areas of their work in the water sector (see list of themes below) in relation to ADB’s water operations. During this exercise, participants will be asked to determine what they consider to be the key challenges and constraints relevant to these issues and provide their recommendations on the following: a) ADB’s investment priorities and packages; b) partnership building and empowerment of civil society; and, c) changes in approaches and strategies to increase responsiveness to the needs of the poor.

Workshop Mechanics:

1. Participants will be divided into five thematic groups comprising 10 to 15 people each. These groups and their assigned facilitators are as follows:

Theme	Venue	Facilitator
• Advocacy	Auditorium B1	Belinda Calaguas
• Governance	Auditorium B2	Agnes Balota
• Knowledge Management	Auditorium B3	Darren Saywell
• Capacity-Building	Auditorium D1	Jennifer Francis
• Implementation And Service	Auditorium D2	Rory Villaluna

2. The facilitators will manage the workshop discussions according to the following estimated time allocation:

- 5 minutes - preparation of individual “issue” card/s
- 25 minutes - consensus of group on not more than 3 major issues per theme
- 60 minutes - discussion to fill up the matrix
- 30 minutes - report out

3. A rapporteur shall be selected from among the participants. After individuals complete their own issue cards, the group will spend about 25 minutes to discuss and reach consensus on the two to three most important issues on each of the topics. For each of the issues agreed upon, the groups will collectively respond to the following questions:

- A. CHALLENGES AND CONSTRAINTS: What are the key challenges and constraints that come in the way of addressing the key issues and concerns that you have identified in your workshop group?
- B. REQUIRED ACTIONS: What actions must be taken to address the key issues and concerns that you have identified in your workshop group?
- C. ADB’s ROLE: What can ADB do to help address the key issues and constraints that you have identified? Participants will be asked to focus on recommendations on: a) ADB’s

investment priorities and packages; b) partnership building and empowerment of civil society; and, c) changes in approaches and strategies to increase responsiveness to the needs of the poor.

4. Each workshop group will produce responses in the following matrix:

ISSUES/CONCERNS	CHALLENGES /CONSTRAINTS	RECOMMENDED ACTIONS	
		REQUIRED ACTIONS	ADB'S ROLE
			A. INVESTMENT PRIORITIES B. PARTNERSHIP BUILDING C. CHANGES IN STRATEGIES/APPROACHES

5. Each rapporteur shall be given 5 minutes to report back during the plenary session. Three of the participant rapporteurs will be selected to join the panel discussion.

C. PANEL DISCUSSION:

Investment Priorities, Partnerships and Empowerment of Civil Society, and Strategies to Improve Responsiveness to the Poor

During the consultation, participants will be asked to contribute their views through a short survey focused on ADB's performance, investment priorities, and partnerships. The Client Stakeholder Survey contains questions focused on ADB's performance, progress in the DMCs, and recommendations on investment priorities and partnerships. Participants will also consider these issues in greater detail during the workshop.

The panel will share their views on the three questions broadly related to the client stakeholder survey and the workshop. Three rapporteurs from the workshop groups will be asked to join the panel, and bring the workshop outputs into to the discussion. Discussion with the panel will focus on the following three areas:

1. INVESTMENT PRIORITIES: Where should ADB concentrate its water investments over the next 5 years in the DMCs? What should be included in ADB's water investment packages in the DMCs? Where and how should ADB deploy its water investments over the next 5 years in the DMCs in order to encourage civil society participation?

2. PARTNERSHIPS AND EMPOWERMENT OF CIVIL SOCIETY: What approaches and strategies will be most effective in promoting partnerships with, and the empowerment of civil society? What changes will be necessary to incorporate these strategies?

3. IMPROVING RESPONSIVENESS TO THE POOR: What should ADB do to improve the responsiveness of its water sector operations to the needs of the poor? How can civil society help?

D. Expected Outputs From the Consultation Process

Each consultation is expected to produce the following outputs:

- Participants' assessment of ADB's water policy implementation and progress
- Participants' identification of key challenges, constraints, investment and capacity building requirements, and new opportunities that ADB should pursue in the short and medium term
- A summary report of the consultation reflecting participants' views and comments

IV. FOR MORE INFORMATION ABOUT THE REVIEW:

Throughout the course of the review, the Lead Facilitator, ADB Water Policy Implementation Review, will oversee and manage all activities 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
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Throughout the review process, regular updates will be posted on ADB's website for comment: at <http://www.adb.org/water>.

Appendix 1: Agenda for the Civil Society Consultation

**ADB's WATER POLICY IMPLEMENTATION REVIEW
CIVIL SOCIETY CONSULTATION
ADB HQ, Manila, Philippines
17-18 November 2005**

DRAFT AGENDA

OPTIONAL ORIENTATION SESSIONS WITH ADB

Thursday, 17 November 2005

- 10:00 – 12:00 Parallel Orientation Sessions
- NGO and Civil Society Center (NGOC)
Auditorium, Zone D
Chair: Jennifer Francis, NGO and Civil Society Specialist, NGOC, ADB
- Content
Update on NGOC Medium-term Plan for 2006-2010
Initiatives on HIV-AIDS, and Anti-Corruption
Cooperation Issues
- Knowledge Management Center (KM Center)
Conference Room, Rm. 4454S
Chair: Zuleikha Bisera, Knowledge Management Officer, KM Center, ADB
- Content
What is KM?
What is ADB doing in KM?
Where does ADB intend to bring KM?
What is there for you in ADB's KM?
- 12:00 – 1:30 Lunch
Executive Dining Room (EDR) Coffee Lounge
- 1:30 – 3:00 Individual Meetings with ADB Staff (arranged at request)
or Knowledge Game
Conference Room, Rm. 4454S
- 3:00 - 5:00 Discussion of ADB's Technical Background Paper, "Asia Water Watch 2015:
Are Countries in Asia on Track to Meet Target 10 of the Millennium
Development Goals?"
Auditorium, Zone C
- 5:00 - 7:00 RECEPTION
*Hosted by Bindu Lohani, Director General, Regional and Sustainable
Development Department (RSDD), ADB
Private Dining Room (PDR) 2, 3 and 3a*

**ADB's WATER POLICY IMPLEMENTATION REVIEW
CIVIL SOCIETY CONSULTATION
ADB HQ, Manila, Philippines
17-18 November 2005**

DRAFT AGENDA

Friday, 18 November 2005

Introductions and Overviews

- 8:30 – 9:15 Opening and Welcome Remarks
- Robert J. Dobias, Director, Gender, Social Development and Civil Society Division (RSGS), Regional and Sustainable Development Department (RSDD), ADB*
- Nafisa Barot, Regional Coordinator for South Asia, Water Supply and Sanitation Collaborative Council (WSSCC)*
- Ravi Narayanan, Review Panel Member for ADB's Water Policy Implementation Review and Chief Executive Officer, Water Aid*
- 9:15 – 9:45 "Water Voices" Film Viewing
- The Connection: The Story of Phnom Penh's Water Supply Authority*
- 9:45 – 10:00 Overview of ADB's Water Policy
- Wouter Lincklaen Arriens, Lead Water Resources Specialist, ADB*
- 10:00 – 10:15 Overview of the Comprehensive Review of ADB's Water Policy Implementation and Client Stakeholder Survey Distribution
- Kathryn E. Nelson, Lead Facilitator, Water Policy Implementation Review, ADB*
- Introduction of Consultation Agenda and Civil Society Participants
- Rosario L. Villaluna, Executive Secretary, Streams of Knowledge: Global Coalition of Water and Sanitation Resource Centers*
- 10:15 - 10:30 Questions
- 10:30 - 10:45 TEA BREAK
- 10:45 – 11:15 Civil Society's Feedback on ADB's Water Projects
- Civil Society's Perspective on Select ADB Water Projects
- Arturo Nuera, Research and Publications Coordinator, NGO Forum on ADB*
- Findings from Water Aid Assessment of ADB's Water Supply and Sanitation Projects in India, Nepal, and Bangladesh
- James Wicken, Research Coordinator, Water Aid Asia*
- 11:15 – 11:45 Questions and Discussion

- 11:45 – 12:15 Civil Society's Role in ADB Water Projects
- Central Region Water Resources Project, Vietnam
Manoshi Mitra, Senior Social Development Specialist, Agriculture, Environment, and Natural Resources Division, (MKAE), Mekong Department (MKRD), ADB
- Tonle Sap Water Supply and Sanitation Sector Project, Cambodia
Anupma Jain, Social Sector Specialist, Social Sectors Division (MKSS), Mekong Department (MKRD), ADB
- 12:15 – 12:30 Questions and Discussion
- 12:15 – 1:30 *LUNCH*
Private Dining Room (PDR) 2, 3 and 3a
- 1:30 – 3:00 Workshop: Civil Society's Concerns and Recommendations:
Key Issues, Challenges, Constraints, Required Actions and ADB's Role
- Group 1: Advocacy
Group 2: Governance
Group 3: Knowledge Management
Group 4: Capacity Building
Group 5: Implementation and Service
- 3:00 – 3:30 Report Out from Workshop Groups
- 3:30 – 3:45 TEA BREAK
- 3:45 – 4:30 Panel Discussion:
Investment Priorities, Partnerships and Empowerment of Civil Society, and
Strategies to Improve Responsiveness to the Poor
Facilitated by Jennifer Francis, NGO and Civil Society Specialist, NGO and Civil Society Center, (NGOC), ADB
- Panel Members:
- *Robert J. Dobias, Director, Gender, Social Development and Civil Society Division (RSGS), ADB*
 - *Annelie Hubach, Review Panel Member for ADB's Water Policy Implementation Review and Division for Environment and Water Resources Management, Ministry of Foreign Affairs, The Netherlands*
 - *Kenichi Yokoyama, Senior Water Resources Specialist, South Asia Department (SARD), ADB*
 - *Workshop Group Reporters (3 participants TBD)*
- 4:30 – 5:00 Synthesis of Consultation Discussions
Rosario Villaluna, Executive Secretary, Streams of Knowledge: Global Coalition of Water and Sanitation Resource Centers
- 5:00 – 5:30 Participants Reflections and Closing Remarks by ADB
- 5:30 – 7:30 RECEPTION
Hosted by WooChong Um, Director (RSID), ADB
Private Dining Room (PDR) 2, 3 and 3a

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: Phnom Penh, CAMBODIA (23-24)
July	
August	<ul style="list-style-type: none"> ▪ In-country Consultation #2: Suva, FIJI (9-10) ▪ Review Panel Work Session #2: Jakarta/Nusa Dua, Indonesia (4 days) (26, 27, 30-31) ▪ In-country Consultation #3: Jakarta, INDONESIA (25/27) ▪ 2nd Southeast Asia Water Forum in Nusa Dua, Indonesia (29-2)
September	<ul style="list-style-type: none"> ▪ In-country Consultation #4: Almaty, KAZAKHSTAN (15-16) ▪ In-country Consultation #5: New Delhi, INDIA (28)
October	<ul style="list-style-type: none"> ▪ 2nd International Yellow River Forum, Zhengzhou, PRC (17-21) ▪ Private Sector Consultation, ADB HQ (18) ▪ Review Panel Work Session #3: ADB HQ (18-20)
November	<ul style="list-style-type: none"> ▪ Civil Society Consultation at ADB HQ (17-18)
December	<ul style="list-style-type: none"> ▪ FINAL Review Panel Work Session: ADB HQ (2-6) ▪ ADB Staff Workshop #2 at ADB HQ (2 TBD)
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, DMC Priorities and CSP Process	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? The study also includes efforts to strengthen the methodology and indicators used to assess policy implementation. ADB has produced two draft papers for the Review Panel's consideration.

C. Progress to Date on Comprehensive Review Modalities

- Consultations:

ADB expects to conduct five in-country consultations and up to other consultations on key topics to inform 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 every consultation, interacting with various stakeholder groups across the region.

The schedule to date for the consultations is listed below.

Table 1: Tentative Schedule for the Consultations

Country	Regional Department	Proposed Dates
<i>In-country Consultations</i> ⁵		
Cambodia (Phnom Penh)	Mekong	23-24 June 2005
Fiji (Suva)	Pacific	9-10 August 2005
Indonesia (Jakarta)	SERD	25/27 August 2005
Kazakhstan (Almaty)	ECRD	15-16 September 2005
India (New Delhi)	SARD	28 September 2005
<i>Other Consultations</i>		
ADB HQ (Manila)	Private Sector Consultation	18 October 2005
ADB HQ (Manila)	Civil Society Consultation	17-18 November 2005

- Additional Regional Events

Throughout the review process, ADB expects to participate in several water-related conferences and regional events to secure feedback through surveys circulated to stakeholders and conference participants and to share progress reports on the review.

- 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

⁵ The consultation itself is a one-day exercise. The second day listed in the table is allotted for possible site visits for the Review Panel members present.

- 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

WaterAid 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. WaterAid will present preliminary findings during the India in-country consultation in September 2005, as well as during the regional consultation taking place in November 2005.

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. ADB has also taken the lead in preparing a technical background paper specifically on water and the MDGs.

Appendix 5: Client and Stakeholder Survey
ADB Water Policy Implementation Review
Client and Stakeholder Survey
2005

<i>Date</i>					
<i>Name (optional)</i>		<i>Age</i>		<i>Gender</i>	<input type="checkbox"/> Male <input type="checkbox"/> Female
<i>Position</i>		<i>Organization</i>			
<i>Country</i>		<i>Email Address</i>			

My Organization:

- Central Government
- Sub-National Government (Region/State/District/Local)
- International NGO/Civil Society Organization
- National NGO/Civil Society Organization
- Local NGO/Civil Society Organization
- Trade Union
- Private Sector/Business Association
- Private Citizen
- Multilateral/Intergovernmental Agency
- University/Educational Institution
- Research Institute/"Think Tank"
- Other (specify): _____

My Work:

- Water resources management
- Urban water supply & sanitation
- Rural water supply & sanitation
- Bulk water supply
- Irrigation & drainage
- Hydropower
- Flood management & urban drainage
- Disaster response & mitigation
- Watershed management
- Environment improvement
- Wastewater control & treatment
- Marine & coastal management
- Others (specify: related field in health, education, environment, public governance) _____

Please take 10 minutes to answer the following 7 questions. Your response refers to:

- Asia Pacific Region, OR
- Specific Country: _____

1. **ADB's water policy aims to support its clients in the Asia Pacific region in the following seven areas. In which of these has progress been highest?** *Please select up to 3 areas where progress has been highest.*

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> National water sector reforms <input type="checkbox"/> Integrated water resources management <input type="checkbox"/> Expansion and improvement of water services <input type="checkbox"/> Water conservation and water use efficiency | <ul style="list-style-type: none"> <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Stakeholder consultation and participation <input type="checkbox"/> Good governance and capacity building |
|--|--|

2. **Where should ADB concentrate its water investments over the next 5 years (through 2010)?** *Please select up to 3 areas for priority investments.*

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Urban water supply <input type="checkbox"/> Rural water supply <input type="checkbox"/> Sanitation <input type="checkbox"/> Wastewater management <input type="checkbox"/> Integrated water resources management in river basins (IWRM) <input type="checkbox"/> Irrigation and drainage | <ul style="list-style-type: none"> <input type="checkbox"/> Flood management <input type="checkbox"/> Hydropower <input type="checkbox"/> Transboundary rivers management <input type="checkbox"/> Regional exchange of experience <input type="checkbox"/> Regional networking for capacity development <input type="checkbox"/> Other: |
|--|--|

3. **What should ADB include in its water investment packages?** *Please select up to 3 options to be included.*

- Sector assessments and analyses of issues
- Policy dialogue
- Technical assistance
- Infrastructure (new and rehabilitation)
- Capacity development
- Development partnerships
- Regional cooperation
- Other:

4. **How could ADB become more responsive to client needs and increase its water investments?** *Please select up to 3 approaches to increase investments.*

- Program approach (multi-donor budget support to government)
- Sector approach (financing subprojects selected by government)
- Project approach (financing of projects designed in advance)
- Lending to national ministries and agencies
- Lending to local government
- Private sector participation (without government guarantees)
- Other:

5. **Which of these changes (suggested by participants of ADB's Water Week 2004) are the most important?** *Please select up to 3 changes.*

- Working more selectively with the right information, organizations, and leaders
- Empowering civil society organizations as catalysts for water sector reform
- Promoting credible water regulatory bodies for water services
- Linking formal and informal water service providers
- Catalyzing water investments to the rural poor
- Investing more in nonstructural interventions
- Lending more to subsovereign partners
- Other:

6. **Which of the following options would be most effective in promoting community ownership of water infrastructure and services in poor rural areas?** *Please select up to 3 options.*

- Small private water networks
- Community-managed water networks
- Handover of management to water user organizations
- Service agreements between water providers and water user organizations
- Participation of NGOs/CBOs in projects implemented by local government
- Water awareness campaigns by local government and service providers
- Water education in schools

7. **Which of the following groups or organizations should ADB partner with during the next 5 years?** *Please select up to 3 partners or partnerships that ADB should pursue.*

Advocacy:

- Media and journalists
- Civil society organizations
- International advocacy NGOs
- United Nations organizations
- World Water Council

Co-financing:

- Public-private partnerships
- Bilateral funding agencies

Knowledge:

- Universities and institutes

- Multilateral development banks
- Global Water Partnership
- International organizations e.g. IWMI, IFPRI, IUCN, WWF
- International professional associations

Capacity:

- Networks among national water apex bodies, river basin organizations, water utilities, and regulatory bodies
- Regional water partnerships
- Country water partnerships
- Professional associations

Research organizations

Other:

Other:

Please submit your completed survey to ADB staff at the event you are attending. You may also fax your responses to ADB's Water Team at +63 2 636 2381/2356 or visit ADB's water website at <http://www.adb.org/water> to complete this survey online.

Thank you for your time and interest! Visit our website for regular updates on the review process.