

PART I: INTRODUCTION AND BACKGROUND

Introduction

In 2006, the Asian Development Bank (ADB) cooperated extensively with a broad range of civil society organizations (CSOs), including community-based organizations (CBOs), water users associations (WUAs), professional associations, research institutes, labor unions, and various nongovernment organizations (NGOs) throughout its operations. This report provides highlights of ADB's deepening interaction with civil society in pursuit of poverty reduction in the Asia and Pacific region.

Highlights from the past 12 months include the identification of recipient organizations for NGO small grants under two regional projects aimed at preventing HIV/AIDS and combating corruption; launch of the Staff Guide to Consultation and Participation (C&P); elaboration of new guidelines supporting C&P in the formulation of the country partnership strategy (CPS); and the second continuous year featuring a level of CSO involvement in ADB-approved loans exceeding 70%. The nature of CSO participation ranges from participation in consultation meetings to surveying communities to project implementation and monitoring.

As in past years, ADB invited CSOs to provide input into country programming activities, such as in preparing the unique Partnership Framework with Thailand, and the CPS for Viet Nam.

Background on ADB's Cooperation with NGOs

Last year marked the first year of the implementation of ADB's new medium-term Work Plan for ADB–Government–Civil Society Cooperation. The Work Plan, covering the period 2006–2008, builds upon ADB–Government–NGO Cooperation: A Framework for Action, 2003–2005. It is set within the context of the role and mandate of ADB's Regional and Sustainable Development Department's (RSDD), which serves as the institution's catalyst of quality in opera-

tions, a knowledge center, and source of innovative approaches to development.

In particular, the Work Plan affirms ADB's commitment to continue integrating CSO knowledge and experience into ADB operations, engage civil society groups in an ongoing dialogue, identify and develop strategic alliances, and improve ADB's institutional capacity to interact proactively with CSOs.

The Work Plan is implemented by the NGO and Civil Society Center (NGOC), which rests within RSDD's Gender, Social Development and Civil Society Division (RSGS). This arrangement allows NGOC to capitalize on synergies and overlapping objectives with RSDD's social development team.

PART II: PUTTING THE WORKPLAN INTO ACTION

The Work Plan provides recommendations in three areas on how ADB, governments, and NGOs can move forward in the pursuit of closer cooperation to reduce poverty in the Asia and Pacific region. These are:

1. Supporting Quality of ADB Operations,
2. Conducting Trainings and Building Capacity, and
3. Generating and Sharing Knowledge.

Part II of this report discusses ADB interaction with CSOs as they relate to these three recommendations.

A. Supporting Quality of ADB Operations

ADB has substantially increased its collaboration with CSOs in the past years, recognizing them as vital partners in addressing the development challenges in the world's most populous region. ADB believes that working with civil society directly supports inclusive social development, one of the three pillars upon which ADB's Enhanced Poverty Reduction Strategy is built.

CSOs add value in promoting sustainable development by introducing:

- Innovation. Identifying new approaches and models for specific development activities, drawing upon their close knowledge of local communities.
- Accountability. Helping ensure that project components are implemented as envisaged and planned.
- Responsiveness. Encouraging the implementation of projects in ways that respond to local needs.
- Participation. Serving as bridges between project authorities and affected communities, and providing structures for citizen participation.
- Sustainability. Nurturing continuity in project work, especially when implementing

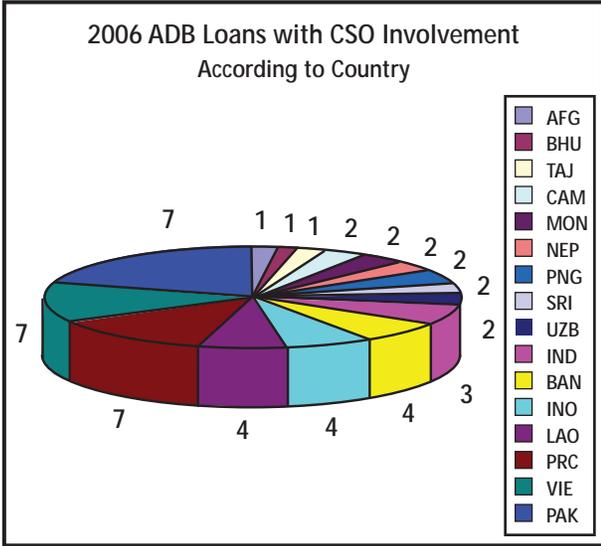
agencies lack capacity or when staffing changes.

1. Civil Society Cooperation in Loans

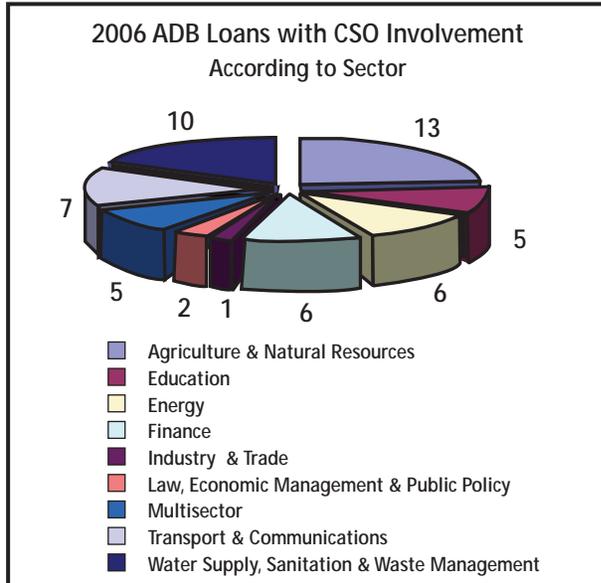
ADB approved 70 public sector loans in 2006. Of these, 55 (79%) featured some elements of CSO participation. This is the highest percentage ever recorded. The comparable figures for 2004 and 2005 were 65 % and 74%, respectively.

Year	Loans with CSO Involvement	Total Loans Approved	Percentage
2004	48	74	65%
2005	48	65	74%
2006	55	70	79%

On a country basis, Pakistan boasted the largest number of approved loan projects with CSO involvement (11). The figure was followed by the People's Republic of China (PRC) and Viet Nam, where each country has seven newly approved projects that feature some aspect of CSO cooperation.



The sector with the most projects with CSO involvement was agriculture and natural resources, with 13. This compares to 10 loans in the water supply, sanitation and waste management sector, and 7 in the transport and communications sector.



Following are selected examples of CSO participation in ADB loans that were approved in 2006.

Creating Community Awareness on HIV/AIDS and Human Trafficking

The North-South Corridor Project in Afghanistan will engage NGOs in activities that aim to heighten awareness related to the prevention of HIV/AIDS and human trafficking. The project will support capacity development of local NGOs to enhance their competencies and equip them for community outreach activities.

Mobilizing Communities for Action

NGOs and CBOs will assist in developing and implementing the sanitation improvement component of the Secondary Towns Water Supply and Sanitation Sector Project in Bangladesh. In addition, NGOs will manage the process of constructing community infrastructure, and conduct information campaigns on tariffs and metering.

Similarly, in Indonesia, NGOs and CBOs will be actively involved in social preparation and community empowerment activities under the Sustainable

Aquaculture Development for Food Security and Poverty Reduction Project. NGO participation will include conducting participatory needs assessments.

In Mongolia's Urban Development Sector Project, NGOs will facilitate the mobilization of communities and formation of community associations. NGOs will build capacity and carry out training needs assessments in communities and, where appropriate, conduct training programs.

Addressing Gender Concerns in Land Improvement

ADB is cooperating with the Association of Women's NGOs in Uzbekistan to carry out the gender component of a newly approved project. In particular, the association, which comprises 53 local women's NGOs, is monitoring gender-relevant targets and indicators. Organizations like mahallas (urban committees), WUAs, private dehkan farm associations, and other civic groups are expected to participate in the project.

Community Empowerment for Rural Development

The Community Empowerment for Rural Development Project is designed to reduce poverty by increasing the incomes of 85,000 families in six provinces of Indonesia: Central Kalimantan, East Kalimantan, South Kalimantan, Central Sulawesi, North Sulawesi, and Southeast Sulawesi. Approved in 2000, the project aims to increase the incomes of the poor rural communities in the peripheral areas of regional growth centers by addressing a range of social exclusion issues that lead to capability deprivation among the poor. Specifically, the project aims to (i) empower rural communities by strengthening their capacity to plan and manage their own development activities in a socially inclusive manner, and (ii) support investments and foster rural urban linkages by establishing rural infrastructure to promote agricultural productivity and off-farm business enterprises.

NGO facilitators and field monitors have been involved in the introduction of planning

processes, related training and other institutional capacity-building activities to help communities develop community-based planning mechanisms, and formulate village development plans for funding by project implementation units. Most of the 400 project facilitators fielded belong to local NGOs.

NGOs provided assistance to project communities in establishing 324 community-based savings and loan organizations. District NGO monitors were also engaged for oversight activities that involved reviewing procurement and assessing quality and standard of construction, among others. In addition, external and independent monitoring was provided by NGOs, namely: Yayasan Cakrawala Hijau Indonesia (YCHI) in Banjarbaru, Lembaga Kajian Keislaman & Kemasyarakatan (LK3) in Banjarmasin, and Yayasan Duta Awam (YDA).

The NGOs played a key role in facilitating a complaint that was sent to ADB's Office of the Special Project Facilitator on 9 March 2005 regarding infrastructure quality and minimum level of community participation in the five villages of Kiram, Handil Baru, Kali Besar, Handil Negara, and Mandiingin Barat in South Kalimantan. A settlement on the complaint was reached in September 2005 and feedback sessions involving ADB, government officials, NGOs, and former complainants were held on 2 February 2006.

Following are loans that were being implemented in 2006 and feature civil society involvement in their implementation.

Empowering Communities for Development in Pakistan

In Pakistan, local NGOs provided health care and family planning services in villages through the ADB-financed Women's Health Project. NGOs helped deliver ambulance services, hospital support, and family planning services at the community level. NGOs also prepared village profiles and conducted participatory rural appraisal activities in the project's beneficiary villages.

In the Barani Area Development Project, local NGOs were engaged to carry out community-based approaches, such as organizing male and female community associations and helping incorporate social considerations into project design and implementation. NGOs conduct training for beneficiaries on microfinance and microenterprise, and provide support in establishing financial linkages and systems to ensure project sustainability.

Managing Local Water Infrastructure in Uzbekistan

Under the Ak Altin Agricultural Development, approved in 2001, WUAs were established in the area to manage water distribution in the irrigation system rehabilitated under the project. WUAs played an important role in operating and maintaining irrigation systems and collecting water service fees from the members. They are also paying part of the construction cost of on-farm development works, such as subsurface horizontal drainage systems, and on-farm irrigation systems.

Responsibilities in relation to the irrigation drainage systems will be transferred to WUAs after project completion. Strengthening of WUAs is one of the key project components.

2. Civil Society Cooperation in Technical Assistance (TA) Projects

Civil Society Cooperation in Country TAs

During 2006, ADB approved 174 TA projects, of which 74 or 43% include some type of cooperation with CSOs. This compares to 86 out of 223 TA projects (39%) that featured elements of civil society participation and were approved in 2005.

On a country basis, Nepal could claim the largest number of TAs with CSO involvement approved in 2006 (9), followed by India with 7, and Pakistan and the PRC, with 6 respectively. The sector with the most TAs with CSO involvement was agriculture and natural resources (14), followed closely by multisector, with 13. This compares to 11 TAs in the transport and communications sector, and 10 in the law, economic management, and public policy sector.

Following are examples of CSO involvement in ADB-financed country TAs.

Developing Community-Driven Strategies for Water Resources Management

The Integrated Citarum Water Resource Management aims to establish river basin management through participation of stakeholders. Supported through a multitranche financing facility, various government institutions, the private sector, and CSOs have participated in its initial study. Meetings have been held with key stakeholders including government officials, academic experts, CBOs, and other civil society groups who have been involved in the water sector in Indonesia.

The project recognizes community resources, interests, needs, and priorities in carrying out development strategies and in creating a model conservation village. ADB is working with Indonesian partners to identify CSOs to facilitate community participation in various stages of the project's development, focusing on issues of environment, health, and livelihoods. Where feasible, the project will support the community to organize themselves into self-help groups, users' association, cooperatives, and environmental watch to ensure project sustainability.

Institutionalizing Community Participation in Project Design

The design for the Sindh Coastal Community Development Project was firmly based on a participatory process that included rapid assessment surveys, interviews, and focus group discussions with farmer groups, fisherfolk, the landless, and women. Stakeholder workshops with CSOs and other stakeholders resulted in the development of an action plan of interventions, and a mechanism to institutionalize local community participation. Stakeholder workshops were held in 2005; these were followed by separate consultations with CSOs and village meetings throughout the coastal areas of Badin and Thatta in September 2006.

CSOs such as the National Rural Support Programme, the World Conservation Union-IUCN, World Wide Fund for Nature Pakistan, the Pakistan Fisherfolk Forum, and several local organizations

serve on the Project Steering Committee.

Consultation with CSOs Sindh Coastal Community Development Project

A consultation attended by about 50 representatives from 25 CSOs was organized in Thatta, Pakistan on 3 April 2006. The purpose of the meeting was to inform NGO representatives on the objectives, scope, and implementing arrangements of the proposed Sindh Coastal Inland and Community Development Project (SCICDP) and to gather inputs and suggestions on the possible role of NGOs in implementing the community-based component of the project which relates to mangrove plantings, fish ponds, and small-scale community development interventions.

While participants agreed that the project would assist in increasing incomes and livelihood opportunities of the coastal communities in the face of serious environmental damage and extreme poverty in the project area, several CSOs raised concerns particularly in relation to the potential negative impacts of the Left Bank Outfall Drain (LBOD) project. Once details of the SCICDP project were given, participants realized that the SCICDP provides an opportunity to address many of the environmental concerns surrounding the project area and the potential for communities to fulfill several of their basic needs. CSOs also realized that concerns raised earlier were mainly due to misinformation and focus on issues which were diverting the potential of the SCICDP to improve the environmental and socioeconomic conditions of the coastal communities in the area. CSOs that earlier planned to stage a protest demonstration decided to call off the activity and instead joined the discussions to provide input and suggestions on how they could participate in the project to improve its design.

Through exchange of views on the project, CSO representatives turned their focus on implementing arrangements that would allow wider participation of CSOs in partnership with government and private sector agencies to ensure direct benefits to the communities. Discussions covered selection criteria in engaging CSOs

and the possibility of selecting an umbrella NGO to coordinate the main activities of the project while engaging specialist and/or thematic NGOs to implement specific interventions. Suggestions were made on forming a district coordinating committee to oversee the management of the project and performance of CSOs as well as to approve funding for the small-scale community interventions under the social uplift and poverty alleviation program, one of the subcomponents of the project.

At the end of the consultation, participants commended ADB's initiative to engage CSOs early in the project's development and supported the general direction of the project.

Delivering Water Services to Slum Areas in Bangladesh

The main purpose of the proposed Dhaka Water Supply Project is to improve the quality and service of the Dhaka Water Supply and Sewerage Authority (DWASA) to the people of Bangladesh's capital city. It also aims to develop methodologies to improve safe water supplies and develop effective sustainable management of the network. Together with several CSOs—including WaterAid, Dushtha Shasthya Kendra (DSK), NGO Forum for Water Supply and Sanitation, and Plan International Bangladesh—ADB has assessed the extent of the water-access problem in low-income communities and slums of Dhaka, the effects of ongoing interventions, and recommendations for how to address challenges in the area.

While many public agencies, CSOs, and government agencies have undertaken innovative approaches in delivering effective water supply and sanitation services to these areas, they address only a very small proportion of the low-income communities.

Challenges identified in service provision to the low income and slum areas of Dhaka include the need to reform DWASA policies to consider more affordable water service, the building up the capacity of public utilities to provide efficient services and introduce alternative service providers, coordinate stakeholders for harmonized actions, and develop

new models of service delivery that support the aim of improving access to clean water by those without it.

CSOs experienced in providing urban water supply and sanitation services were consulted to gain insights on the models used in servicing the low-income and slum areas of Dhaka. Based on project experiences, meaningful community involvement in the decision-making process and in the planning and implementation of services can lead to greater public acceptance and ownership of systems, with benefits for both the affordability and sustainability of systems. In this project, CSOs will not only help deliver water services, but also undertake advocacy work to help improve the DWASA's performance.

Civil Society Cooperation in Regional Activities

At the regional level, 30 out of 91 regional technical assistance (RETA) projects (33%) approved in 2006 involve CSO collaboration. The law, economic management, and public policy sector, with 11 RETAs, posted the largest number of RETAs with CSO involvement. This compares to six RETAs with CSO involvement in the multisector category, and four in the transport and communications area.

Following are examples of CSO involvement in ADB-financed RETA projects.

Community Broadcasting to Reduce HIV/AIDS Vulnerability and Risk

The Asian Development Community Broadcasting Initiative is a pilot project in the Lao People's Democratic Republic that makes use of information communication technology strategies to raise awareness in remote villages of the country. ADB is collaborating with First Voice International, a CSO that works with community groups, international organizations, and government agencies to deliver information on pressing issues building upon its technology endowment of 5% of the channel capacity of the AfriStar™ and AsiaStar™ broadcast satellites.

The purpose of the TA is to broadcast via satellite available audiotapes of radio dramas produced in Hmong and Khmu languages to reduce HIV/AIDS vulnerability and risk among remote Hmong and

Khmu ethnic minority groups. ADB will broadcast through satellite available audiotapes of radio dramas produced in Hmong and Khmu in two selected provinces. In each location where this demonstration pilot project will occur, appropriate personnel (Lao National Radio staff, local community radio practitioners and leaders, etc.) are trained in the use of the satellite receivers and in the use of alternative power sources—solar panels in particular. This training will ensure local capacity in using the equipment and providing the vital linkage between the satellite and the ground stations.

Civil Society Anticorruption Initiatives

Working with the Partnership for Transparency Fund, ADB launched a technical assistance grant of \$150,000 to strengthen the role of civil society in the fight against corruption in the pilot countries of Pakistan, Philippines, and Mongolia. The call for proposals resulted in the submission of 15 project proposals from CSOs from the eligible countries. The grants have been awarded to five CSOs: two each from Mongolia and the Philippines, and one from Pakistan.

Regulation of Conflict of Interest in Mongolia

Mongolia has recently joined the UN Convention on Anticorruption which requires that it make changes in the country's legal framework. One such area is conflict of interests, which are not fully covered in existing Mongolian laws, particularly the newly adopted anticorruption law. Through the regional technical assistance Civil Society Initiatives on Anticorruption, a local CSO, Women for Social Progress, aims to influence legislators and decision makers to produce regulations and/or laws on conflict of interests to minimize opportunities for corruption. Efforts are made to introduce international standards and practices concerning conflicts of interest and promote public awareness, advocacy, and lobbying. It also aims to enhance: (a) the transparency and accountability of the government; (b) effective citizen oversight, as well as intra-governmental checks and balances; (c) citizens' awareness of ethical issues including conflicts of interests, and (c) capacity of CSOs to contribute and influence positive changes in regulating conflicts of interest.

The project consists of the following groups of activities: (a) development of a tool kit defining conflicts of interest and providing specific examples, ethical standards, disclosure methods, and case studies; and (b) engaging of international experts for review and recommendations of the required law on conflict of interest in Mongolia. The recommendations will be submitted to the Parliament and National Council, and used for public discussions. The project also supports a public campaign involving television and radio programs, newspaper articles, distribution of leaflets, and publication of the new law and regulations in the newspaper.

Fighting HIV/AIDS in Asia and the Pacific

In 2006, ADB began implementing a \$1.5 million regional TA project that will provide grants for CSO initiatives to prevent HIV/AIDS. Financed by the ADB-administered HIV/AIDS Trust Fund, financed by the Government of Sweden, the TA project is part of a package of subprojects set up to help fight the communicable disease. Grant proposals were sought from CSOs based in ADB's developing member countries (DMCs) in Asia and the Pacific, and which are active in HIV/AIDS prevention, care, and/or treatment. The TA project boosts ADB's ability to work closely with CSOs to help identify, document, and support effective outreach and delivery of essential HIV/AIDS services to poor, vulnerable, and high-risk groups.

Before the end of the year, ADB had approved grants to 13 CSOs to deliver services in the following countries: Afghanistan, Bangladesh, Cambodia, Fiji Islands, Kazakhstan, Kyrgyz Republic, Mongolia, PRC, Philippines, Tajikistan, Thailand, and Viet Nam.

Piloting Participatory Assessment Methodologies for Water Supply and Sanitation

Another ADB regional TA project is assisting the government, implementing agencies, and communities in Sri Lanka and Viet Nam to achieve sustainable and equitable water supply and sanitation services. The aim of the project is to introduce an enhanced methodology for participatory assessments that take better account of participation,

demand, gender, and poverty perspectives. The method was used to evaluate strengths and weaknesses of the water supply and sanitation (WSS) systems implemented under the Rural Infrastructure Sector Project and Third Water Supply and Sanitation Sector Project.

The TA project has demonstrated an effective participation model that improves the stakeholders' capacity to design, plan, implement, and monitor pro-poor, participatory, gender-sensitive, and demand-responsive WSS services. Lessons learned from the assessment will assist in improving the design and planning WSS services of ensuing projects in both participating countries.

Stakeholders engaged during the project have underscored the fact that the methodology is a very useful mechanism to track gender, poverty, participation, and demand issues in the Rural Infrastructure Sector Project and Third Water Supply and Sanitation Sector Project. It also helps them measure the progress of their goal to provide sustainable water-related services for all. Use of the enhanced methodology for participatory assessments has also been an eye-opener for communities and empowered them to look into better planning and management of the WSS systems. The civil society-led assessment process involved key stakeholders including government agencies, local community leaders, and women's groups.

Establishing the Central Asia Education Cooperation Network

The ADB-Open Society Institute (OSI) Central Asia Education Cooperation Network has contributed to the enhancement of education reform processes in the Central Asian republics by developing a regional network of education stakeholders. Interacting primarily through the Internet interface, participants share information on education reforms, projects, legislation, statistics, analytical reports, and other resources. The TA was co-prepared and cofinanced by Budapest-based OSI and covered four countries: Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. OSI is a grant-making foundation that aims to shape public policy to promote democratic governance, human rights, and other social reform.

The main TA outputs have included (i) opening the education reform process to a variety of stakeholders groups, (ii) developing the capacity of local education professionals for educational policy research, analysis, reporting, monitoring, and advocacy, (iii) increasing the awareness among Central Asian policy makers regarding international experience in reforming education, and (iv) creating a platform for discussing and initiating cooperation and partnership between education stakeholders in Central Asia.

Sharing Expertise on Remittances and Poverty

A project on remittances and poverty in Central Asia and South Caucasus aims to increase the positive effects of remittances on poverty in several former Soviet republics that are ADB member countries. It is expected to produce regional reports on the financial sector and remittances and on remittances and poverty in Central Asia and South Caucasus.

CSOs such as the Centre for Social and Economic Research–Kyrgyzstan (CASE–Kyrgyzstan, Kyrgyz Republic); Economic Development and Research Centre (EDRC, Armenia); International Centre for Human Development (ICHD, Armenia); Public Policy Research Centre (PPRC, Kazakhstan); and Research Centre SHARQ (SHARQ, Tajikistan) are sharing their expertise by providing research assistance in the field of remittances. In particular, CSOs are providing input to the project's analytical framework, and are assisting in the preparation of survey questionnaires and other project methodologies. The organizations conduct training for field interviewers, and undertake financial sector or household surveys. CSO expertise is used in preparing country reports on remittances, and collaborating toward a regional report on remittances and poverty in Central Asia and South Caucasus.

3. Civil Society Cooperation in Country Programming

The Country Partnership Strategy (CPS) is ADB's new country programming document. It identifies major country-specific development issues and constraints based on an analysis of a country's development priorities and poverty reduction pro-

grams. The CPS is grounded on a sound analytical basis justifying its sector and/or thematic focus areas. It is results oriented and specifies key approaches to remove constraints on country development, and explicitly states the strategy's objectives

In January 2007, ADB published the CPS Guidelines to assist staff responsible for country programming in understanding the results-based management approach and detailed processes involved in preparing, implementing, monitoring, and evaluating the CPS. As ADB's primary planning instrument for guiding operations in a developing country, the CPS is prepared with the country's active participation through extensive consultation with government and other country stakeholders, including civil society, the private sector, and other development agencies. The CPS is normally aligned with the country's own planning cycle (e.g., 5 years).

Partnership Framework between Thailand and ADB 2007–2011

A stakeholder consultation on the Partnership Framework between the Royal Government of Thailand and ADB was held on 17 July 2006 in Bangkok to seek feedback and input from ADB's government counterparts and representatives from the private sector, academia, and civil society on the draft Partnership Framework, 2007–2011.

The Partnership Framework will support the national development strategy. It identifies ADB's role in Thailand as supporting governmental efforts to promote sustainable growth by addressing challenges and constraints of private investment, and by nurturing greater efficiency and productivity in the public sector.

A meeting with CSOs held at ADB's Thailand Resident Mission followed the stakeholder consultation. ADB staff presented the Subregional Development Plan for Tsunami Affected Andama Region, which was drafted with contributions from CSOs. The discussions covered the process undertaken to consult with civil society, the project outcomes, and lessons learned.

Viet Nam's Country Partnership Strategy 2007–2010

On 15 March 2006, ADB carried out a consultation with CSOs to present an overview of how civil society inputs have been accommodated in the drafting of the Viet Nam CPS 2007–2010. The meeting was the third in a series of consultations during the preparation of CPS. Feedback from CSOs in previous consultations was cited and explanations offered as to how these concerns would be addressed in the new CPS.

In particular, CSOs had raised concerns on: (i) ensuring a balance between economic growth and social equity, (ii) clarifying the rationale for focusing on natural resources sector, (iii) ADB's support to governance and crosscutting issues, (iv) considering ethnic minorities and disabled groups, (v) ADB's interventions for supporting poor and vulnerable groups, and (vi) charting the role of civil society and building tripartite collaboration. These concerns were cited in the CPS.

The Viet Nam Resident Mission is putting into place mechanisms for greater involvement of civil society groups at the upstream stages of project preparation. The CPS consultations highlighted the usefulness of institutionalizing the process for tripartite cooperation.

4. Japan Fund for Poverty Reduction (JFPR)

The JFPR, an untied grant facility that the Japanese government established, supports ADB clients to provide direct relief to the poorest and most vulnerable segments of society while building up their capacities for self-help and income generation. The facility:

- initiates and supports innovative programs that have high potential for improving the affected countries' situations;
- provides relatively rapid, demonstrable benefits through initiatives that have positive prospects of developing into sustainable activities over the long term; and
- assists programs designed and implemented by local populations and civil society.

The JFPR is a tool for local communities and CSOs, including NGOs, to actively participate in the development process. JFPR grants may be executed by recipient governments or by CSOs. The executing agency may engage the services of civil society groups in implementing specific grant activities.

In 2006, JFPR approved 13 projects worth \$45.37 million in 12 developing countries.

Working with Communities to Deliver Rural Power Supply in Tajikistan

The Community-Based Rural Power Supply Project, financed by JFPR, aims to improve the quality of life during winter in remote rural areas in Tajikistan by improving electric supply services. The initiative will establish sustainable and cost-effective community-based micro-hydropower supply system.

Project preparatory activities involved field visits, interviews and consultations with key stakeholders, including the Aga Khan Foundation and Jamoat resource centers (JRCs). Organized to implement local development projects, JRCs are registered NGOs that emphasize participatory approaches in decision making. In this project, JRCs will mobilize communities to ensure local participation and achieve project benefits and sustainability.

5. Other Funds Supporting Civil Society Engagement and Participation

To enhance country-based results of ADB's poverty reduction strategy, two multidonor funding initiatives were set up and are jointly managed under fully harmonized administrative procedures. The Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies helps ADB's DMCs formulate, prioritize, implement, monitor, and reformulate national poverty reduction strategies through technical assistance grants, regional training and capacity building activities, and piloting of participation activities for poverty reduction and governance.

The Poverty Reduction Cooperation Fund (PRF) supports technical assistance and small-scale pilot

investment projects with systemic poverty reduction impacts that serve as good examples for broader ADB investments and refocus its operations to be more poverty relevant.

Given the nature, purpose, and design of both funds, maximum opportunities were provided for civil society cooperation. Of the 119 approved projects worth \$64 million, an estimated \$16 million (25%) has been contracted to NGOs and other CSOs to implement a great variety of activities. In addition, civil society has directly and actively been involved in 90 of the 119 projects, while in the remaining 29 projects, mainly studies and research, the role of civil society has included providing information and feedback during data gathering, workshops, and seminars.

In the PRC, for example, PRF-assisted TA projects continue to support poverty reduction work. The NGO–Government Partnerships in Village-Level Poverty Alleviation Project demonstrates modalities for NGO–Government partnership and explores new models for rural microfinance and alternative rural livelihoods.

The project promotes rural poverty reduction, with NGOs mainstreamed within more effective, efficient, and well-targeted poverty alleviation programs throughout the PRC. The initiative further aims to formulate and demonstrate replicable models and mechanisms for NGO participation in government-funded village-level poverty reduction efforts. The PRF allotted \$1 million for this project.

The PRF also financed some TA projects mentioned above: Community Broadcasting to Reduce HIV/AIDS Vulnerability and Risk (total \$850,000); Piloting Participatory Assessment Methodologies for Water Supply and Sanitation (\$550,000); and the project on Remittances and Poverty in Central Asia and South Caucasus (\$1 million).

Rebuilding Communities after Tsunami

ADB's Extended Mission in Sumatra signed an agreement on July 2006 with NGOs headed by the Muslim Aid, which will result in 650 more houses being built in the tsunami-affected area of Banda Aceh in Indonesia. The tsunami of December 2004 killed

or left missing more than 200,000 people around the Indian Ocean rim, most of them in Aceh. Muslim Aid has been able to successfully build traditional Aceh houses using local materials and expertise. The NGO will continue to build traditional wooden houses in Banda Aceh, along with houses made of brick. The initiative is part of the Earthquake and Tsunami Emergency Support Project (ETESP), a \$290 million multisector grant facility that provides rehabilitation and reconstruction assistance to mitigate damage caused by the devastating December 2004 earthquake and tsunami. The ETESP is supported by the Asian Tsunami Fund.

B. Conducting Training and Building Capacity

1. Developing ADB's Capacity for CSO Cooperation

Staff Guide to Consultation and Participation

In April 2006, NGOC published the Staff Guide to Consultation and Participation (C&P) to provide updated guidance on what constitutes "adequate consultation," and to assist staff in applying consultative and participatory techniques in ADB-assisted activities. The Guide provides practical tools and tips to make C&P more accessible and effective in improving the performance of ADB operations.

Later in the year, ADB launched the Participation Website (<http://www.abd.org/Participation>), which includes the Staff Guide and the C&P Tool Kit. The Tool Kit complements the Staff Guide and provides templates to assist staff in conducting stakeholder analysis, recording stakeholder input, facilitating meetings, and engaging consultants to assist with C&P in projects.

Third Water Supply and Sanitation Sector Project in Sri Lanka

This project was designed to be demand driven by beneficiaries, which include some of the poorest people in the country. Beneficiaries were intended to be directly involved in:

- choosing the type of water supply and sanitation technology they wanted and needed to be implemented,
- communicating the level of service they were willing and able to pay for,
- assisting in the very planning and design of the project,
- contributing time and labor and even materials to construct it,
- taking over the management of the system once the project is completed so there is continuing operation and maintenance to ensure sustainability for their future well-being.

ADB's Staff Guide for C&P outlines four levels of consultation and participation. The following table summarizes the levels of C&P on which this project has operated.

Levels of C&P in Third Water Supply and Sanitation	
Level	Description of activity
Information sharing	Establishing community-based organizations (CBOs) was one of the first activities under the projects. In rural areas, the CBOs provided the platform for quickly disseminating information and getting feedback.

Consultation	CBOs consulted with stakeholders to get their input on the project's objectives, including the kind of technology to be implemented and to what degree to keep it affordable.
Collaborative decision making	CBOs facilitated this among affected groups to help them deal with the development activities and resources that affected them; NGOs, working independently of the government and ADB, are tapped to help guide communities in making sound technical choices.
Empowerment	Was drawn from the participant beneficiaries when they initiated activities and took control over development decisions and resources.

Stages in Consultation and Participation

During feasibility study and appraisal missions for this proposed project, discussions were held with stakeholders, especially the potential rural beneficiaries, CBOs, and NGOs to confirm their needs and choices, and their willingness to participate comprehensively.

By the time loan processing started, feedbacks had been received. This was followed by further consultations with NGOs, potential beneficiaries, and external financing agencies concerned with the project. Fundamental to the project implementation was to make sure that the CBOs were involved right from the project planning stage so that they could assume responsibility for the choices they made. The extent and level of public consultation and participation took place over four phases:

- **Community education and awareness:** The community is educated on its own role in the project, what its responsibilities are in terms of payment for service of higher quality and in keeping the system in good order, and what the benefits are. At the operational level, the communities are organized. Upon its establishment, the CBO takes responsibility for the major components of the design, implementation, and management of the subproject.

- **Mobilization:** Beneficiaries are trained in participatory planning to learn the nuts and bolts of project preparation, like data collection, preparation of plans, collection of capital cost contribution, and training and recruitment of staff.

- **Construction and management:** The community is expected to contribute 20% of the subproject costs through cash or in-kind contributions, and is made responsible for full management of the water supply system.

- **Sustainability training:** Training will continue to ensure that the operation and maintenance arrangements become fully operational. The project realized that community management reinforces their sense of ownership of the project.

In April, ADB organized a general training course on C&P for project officers, and in October delivered a course on consulting stakeholders in the preparation of the CPS.

Strengthening Partnerships for Development Results

Over the past decade, ADB has made great progress in its engagement with development CSOs. The NGOC is mandated to encourage and support such engagement, in part by staff capacity building.

In 2006, the NGOC conducted a series of training programs on working with civil society. The programs were designed to provide an opportunity for ADB operational staff to acquire knowledge on the benefits and challenges of working with CSOs; and to introduce skills required in engaging CSOs in consultative and participatory processes required during the project cycle; and apply criteria for successful collaboration with CSOs in project design, implementation, and monitoring and evaluation.

The first training was held at the ADB headquarters in Manila in July 2006, and covered topics on the evolution of ADB efforts to engage with CSOs, the development of civil society ADB experience of working with CSOs, and practical strategies for engaging CSOs. The program highlighted ADB-specific case studies offering insights into practical problems faced, and solutions offered, by ADB staff in their work with CSOs. Experiential learning methodologies allowed participants an opportunity to practice and develop practical skills useful to engaging NGOs, such as negotiation, communications, facilitation of multistakeholder meetings, value of informal consultations, and conflict management.

A similar training program was organized 14–15 November 2006 in Jakarta for staff of ADB's Indonesia Resident Mission, government officials, and CSO representatives involved in ADB-assisted projects. The training built on existing IRM efforts to engage both civil society and Government in a tripartite cooperative relationship. It also highlighted roles and responsibilities for the different partners, and showcased practical tools and mechanisms to involve stakeholders in consultations and other participatory processes. Further, it strengthened the technical

capacity of participants to address attitudes, behaviors, and skills required for successful consultation, negotiation, consensus building, and joint decision making. The training concluded with a commitment by IRM to set a schedule for regular dialogue between ADB, Government, and CSOs to address project implementation questions, and enhance collaboration.

Integrating Civil Society Knowledge into ADB Operations

The NGOC continues to provide opportunities to improve the knowledge of ADB staff on civil society and their areas of work in Asia and the Pacific. A training program for external relations officers from ADB's resident mission offices was organized in August 2006 and included a module on NGOs and civil society.

In 2006, the NGOC published 12 editions of CSO Web Review, a monthly electronic staff bulletin featuring policy positions and activities of a selection of CSOs active in the Asia and Pacific region.

The NGOC regularly organizes discussions and brown bag seminars on timely development issues that feature resource persons from CSOs like Plan International, Christian Children's Fund, and Mercy-Corps. During 2006, CSO presentations addressed topics such as assistance to earthquake-affected communities in Indonesia and relief assistance in Timor-Leste following civil unrest; and community-based conflict management practice for development in Maluku, Eastern Sri Lanka, and the Ferghana Valley.

Noted social activist and Ramon Magsaysay Award winner, Senator Mechai Viravaidya of Thailand, visited ADB in September to share his insights on innovative strategies to bring together businesses and poor communities to fight poverty. Arvind Kejriwal, founder of the Indian anticorruption NGO Parivartan, and 2006 Ramon Magsaysay Awardee for Emergent Leadership, gave a presentation on mobilizing communities to demand public access to information in India.

2. Building NGO Capacity and Providing Institutional Support

Strengthening Civil Society Participation in the Pacific

Civil society groups in the Pacific are working to address the growing needs of marginalized people through direct service delivery and through promotion of their welfare. However, due to their limited size and resource base, most Pacific CSOs do their work with minimal technical preparation. A technical assistance project approved in 2006—Pilot Strengthening of Civil Society Participation in Development in the Pacific—focuses on legitimizing and mainstreaming civil society participation in development processes and strengthening relations between civil society, governments, the private sector, and funding agencies through training and direct engagement in the ADB development assistance cycle. The project further aims to enhance the competence and capacity of CSOs to be effective in its participation in ADB operations.

Support to Civil Society through the Poverty and Environment Program

ADB's Poverty and Environment Program (PEP) is a regional initiative financed by the Poverty and Environment Fund, a multidonor trust fund administered by ADB. The PEP aims to accelerate learning about poverty-environment linkages and effective approaches for poverty reduction.

Through the PEP, ADB is implementing the following project in the People's Republic of China (PRC): Development of Sustainable Alternative Livelihoods and Community Participation in Sustainable Wetland Management in the Sanjiang Plains. The project seeks to develop and pilot-test innovative sustainable livelihood options for the poor villages in Raohe district that are adjacent to the Naolihe Nature Reserve through participatory and community-based approaches and use of environment-friendly technologies and practices

NGOs, CBOs, farmers' associations, and other stakeholders participated in the community assessment process that covered the following: consensus of the resources and assets that the community possesses, prioritization of community needs and concerns; and discussion on the importance of sustainable management of natural resources. Through

a participatory approach, stakeholders selected alternative on-farm and off-farm livelihood options that harness local indigenous knowledge on wildlife and plant species and which ensure sustainable use and management of the agroforest ecosystem.

Civil society groups were involved in the evaluation and approval livelihood options, and developed the implementation and monitoring plan for livelihood activities. In the process, community associations set up and operate the revolving fund to finance parts of the livelihood activities of the beneficiaries, established project implementation and supervision groups at the community levels, and formulated an exit strategy to ensure sustainability of livelihood schemes and the community-based management of natural resources.

Supporting Community-Based NGOs in Tonle Sap

Through a grant made under the Tonle Sap Rural Water Supply and Sanitation Sector Project in Cambodia, ADB engages local CSOs to implement community mobilization and skills in five provinces. In particular, CSOs develop a community participation strategy to ensure meaningful participation by various social groups. The local groups are engaged to help carry out awareness campaigns in the communes and villages, implement rapid appraisal of village water and sanitation needs, and undertake baseline survey of the village for future benchmarking and evaluation. CSOs utilize community-based methodologies by involving local villages in selecting appropriate water systems and sanitation facilities.

Recognizing Innovative Projects by NGOs in the PRC

The World Bank sought support from ADB and other international agencies to launch the China Development Marketplace (CDM). The CDM competition supported innovative projects principally those implemented by NGOs that extend beyond established channels for support to the poor, building sustainable new approaches to address the needs of the poor. The CDM further emphasized building/strengthening partnerships and networks, including those linking NGOs to businesses, donors, national and local governments, and other NGOs.

Prior to and following the formal launch in June 2005, ADB has been a key international partner for the CDM, including sitting on the Project Management Committee (PMC), which was tasked with competition design, overall coordination, and guidance to the implementing agency, the China Foundation for Poverty Alleviation (CFPA). In addition, ADB funded an “ADB Award” for education as a tool for fighting poverty.

On 24 February 2006, Qingshen County Women’s Federation (QCWF, a county-level NGO in Sichuan Province) was selected for the ADB Award, for an innovative pilot test on education and care for children in poor areas who were left behind by migrant parents. ADB’s Resident Mission in the PRC (PRCM) subsequently assisted QCWF in project design refinement and implementation. Overall, the ADB Award links to other efforts at promoting and formulating mechanisms for NGO–government–community partnerships, which is emerging as an important niche for ADB in the PRC.

Promoting NGO–Business Collaboration

ADB continues to provide advisory support to the Network for NGO–Business Partnerships for Sustainable Development in Asia and the Pacific (The NETWORK). The NETWORK provides a forum for NGOs and the private sector to search for potential collaborators; exchange case studies and good practice; and share information, opinions, and concerns. The NETWORK is largely “virtual”, but meets once or twice a year, usually as part of international conferences on corporate social responsibility or CSO resource mobilization. The Bangkok-based Kenan Institute Asia, a nonprofit organization, serves as The NETWORK’s secretariat.

In 2006, The NETWORK relaunched its website (www.network-ngo-ps.org) by creating a new look and a more interactive feel. The new format provides news with analysis, current events, opinion polls, and video cases. The NETWORK website provides essential information for improving cooperation between NGOs and corporations. To enrich the website, ADB contributed a paper titled, “A Young Network Brings Together NGOs and Businesses in the World’s Most Populous Region,” which discusses the corporate social responsibility movement and NGO-

business collaboration in Asia.

In September, about 40 members assembled in the Philippines to discuss potential partnerships during the 4th meeting of the NETWORK. The meeting showcased a successful partnership between the Philippine NGO Council on Population, Health and Welfare, Inc. and GSK, Philippines.

Improving Civil Society Understanding of ADB Operations

To increase understanding among CSOs and other stakeholders of ADB’s operations and work in particular sectoral and thematic areas, ADB published several succinct fact sheets. These 2-page documents provide basic information on ADB’s Accountability Mechanism, ADB and Civil Society, Environment Policy, Millennium Development Goals, Clean Energy, ADB safeguard policies (general), Poverty Reduction Strategy, Cooperation with NGOs in India, ADB and Core Labor Standards, and Participation/Community Engagement.

3. Strengthening Government–Civil Society Cooperation and Collaboration

Institutionalizing Civil Society Participation in Local Budgets

The Pilot Project on Institutionalizing Civil-Society Participation to Create Local Pro-Poor Projects aims to create an enabling environment for participatory budgeting in local government by building on global best practices of civil society work. Participatory budgeting provides citizens with the opportunity to influence budget decisions. The project engages poor communities in preparing budgets that will provide efficient, effective, and responsive pro-poor service delivery by local governments. Through civic, informed, and constructive engagement, public service delivery will be more responsive to the poor.

The project is being implemented in Indonesia, Pakistan, and Sri Lanka. Local government and devolution allow for stronger civil society involvement in local governance. By engaging in local budgeting processes, civil society will improve its understanding of allocation possibilities and encourages accountable and pro-poor governance.

Country Conference on Institutionalizing Civil Society Participation in Local Budgets in Pakistan

In partnership with the Asia Foundation, ADB organized a conference on Institutionalizing Civil Society Participation in Local Budgets in Islamabad on 18 July 2006. The Asia Foundation noted that while civil society participation in the local budgeting process has been put in place through the Local Government Ordinance (LGO) 2001, it had not effectively used these provisions to ensure fair and efficient utilization of resources. The meeting stressed the urgent need for civil society groups to develop the required capacity to effectively cooperate with local governments.

Part of the project is a training program for CSOs and local council members to build their capacity in the budget process and enhance their participation on local government budgets. Participants noted that while the concept of bottom-up planning or public participation in development projects was not new for Pakistan, it is for the first time that such concepts have been turned into statutory requirements under the LGO. ADB underscored the importance of developing the capacity of civil society groups and councils and highlighted the need for scaling up such activity. Representatives of civil society groups, who had come from Kasur and Jehlum, also made a number of commitments to promote civil society participation in the budgetary processes. They particularly committed to create public awareness campaigns, hold pre-budget seminars, identify to the local governments gaps in implementation, and create monitoring mechanisms to ensure efficient use of public funds.

C. Generating and Sharing Knowledge

1. Engaging NGOs/CSOs in Continuing Dialogue

Civil Society Consultations at the 39th Annual Meeting

The Thirty-Ninth Annual Meeting of ADB's Board of Governors was held in Hyderabad Interna-

tional Convention Centre (HICC) in Hyderabad, India from 3-6 May 2006. More than 170 CSO representatives from 30 countries participated in the various events that included a series of consultations on issues of mutual concern to civil society and ADB. The substantial turnout of representatives of both advocacy and operational CSOs, especially from south Asian countries, led to a record number of CSO delegates at an annual meeting.

The NGOC organized a series of meetings to facilitate CSO interaction with ADB's Management and senior staff. In addition, many CSO representatives arranged smaller meetings with government representatives on ADB's Board of Directors or Board of Governors, and in participating government delegations.

Among the activities organized as part of the NGO/Civil Society Program of the Annual Meeting was a general forum on cooperation between ADB and CSOs. The theme of this year's meeting is "Health Investments for Economic Growth: Building Blocks of Pro-Poor Development." An expert panel, including representatives of civil society, academe, and the World Health Organization, explored the links between health investment and economic growth, and why viewing development from this angle matters to decision makers in the public sector, organized civil society, and international donor community. In cooperation with the Glaxo-Smithkline Biologicals, a summary of proceedings was published and an accompanying CD-ROM produced that presents the empirical findings and shared experiences and lessons in Hyderabad

On the first day of the Annual Meeting, ADB President Haruhiko Kuroda addressed more than 120 CSO representatives and reiterated ADB's commitment to working with civil society partners to promote economic growth that is pro-poor, socially inclusive, and environmentally sustainable. President Kuroda also announced that ADB will make available more funds for NGO-led initiatives against HIV/AIDS to complement its work in the health sector, and is working with the Partnership for Transparency Fund to provide grants to NGOs for anticorruption activities.

During the open forum section of the meeting, CSO representatives raised various issues with the ADB President—from the risk of corruption in ADB-assisted projects to workers' rights, privatization, clean energy, and future work in the area of information and communication technology.

ADB meetings with CSO representatives interested in operational collaboration with ADB yielded concrete ideas for potential cooperation in areas such as HIV/AIDS prevention, disaster management, and integrating core labor standards (CLS) in ADB operations.

Dialogue with Labor Organizations and Labor Unions

ADB maintains regular interaction with various trade unions and federations in the region. In 2006, ADB held regular meetings with trade unions and federations such as the Public Services International (PSI) and the Asian Labor Network on IFIs (ALNI). During the 39th ADB Annual Meeting in Hyderabad, India in May 2006, PSI campaigned against privatization of public services, and advocated for integration of CLS in ADB activities. PSI works globally with unions and communities to ensure that public services are well resourced, accessible, and in tune with community needs.

In August, ADB met with the representative of the Building and Wood Workers' International (BWI), a global federation with members in the building, building materials, wood, forestry, and allied sectors and with project offices in Asian countries like India and Malaysia. ADB took this opportunity to explain opportunities for workers' participation in ADB's operations as well as its initiatives to ensure compliance to CLS, particularly in its procurement system.

In September, the Gender, Social Development and Civil Society (RSGS) Division met with representatives of the Asian Labor Network on IFIs (ALNI)/Philippines Chapter. ALNI Philippines is part of an international network that aims to unite and strengthen the labor movement and focuses on issues and concerns that workers have with IFIs. The discussions focused on how ADB and ALNI could collaborate toward a proactive strategy of moving forward social protection programs in ADB's programs and policies.

In the last quarter of 2006, ADB launched the CLS Handbook to guide ADB staff on CLS and its appropriate application to ADB operations. The Handbook is a result of joint collaboration between ADB and the International Labour Organization (ILO). The launch also presented an opportunity for ADB, ILO, and other development partners to dialogue on matters related to CLS.

On 11 October 2006, senior members of the PSI held a dialogue with selected ADB staff at the headquarters office in Manila. The focus of this year's consultations included labor issues and impact on public services of ADB's power and water sector reforms. Labor unions likewise raised issues concerning privatization of public service such as health and education. The meetings were part of a continuing dialogue between ADB and labor groups on issues of mutual concern. The exchange of ideas resulted in improved understanding of ADB programs and policies from the perspective of labor groups. While perspectives on the privatization of services differ, ADB and labor organizations can continue to discuss ways to help improve delivery of these services.

Civil Society in Policy Development

ADB celebrated the Clean Energy Week on 20–22 June, a knowledge-sharing event among practitioners and policy makers engaged on crosscutting issues of clean energy development and financing, climate change, energy access and security, and governance in the energy sector. Clean Energy Week provided an opportunity for DMCs, donor governments, and NGOs to interact and exchange lessons learned across the region. NGOs like Greenpeace International shared their views on creating opportunities for clean energy in ADB's DMCs.

ADB has embarked on a safeguard policy update (SPU) to enhance the effectiveness of its safeguard policies, and ensure their relevance to changing client needs and new lending modalities and instruments. ADB has three safeguard policies that seek to avoid, minimize, or mitigate adverse environmental impacts, social costs to third parties, or marginalization of vulnerable groups that may result from development projects. These policies are: Involuntary Resettlement (1995), Indigenous Peoples (1998), and Environment (2002).

The SPU is being conducted in a manner that ensures broad stakeholder participation, transparent proceedings and reporting, and wide dissemination of draft policy documents produced to inform the update process and the final policy paper, slated for submission to ADB's Board of Directors and for public release in November 2007. ADB is consulting with a broad range of stakeholders including CSOs and other development partners.

ADB interacts with advocacy groups that aim to express their position on its programs and policies. On December, Greenpeace representatives held a peaceful demonstration to call upon ADB to stop supporting energy projects that make use of fossil fuel and thus contribute to climate change. ADB met with the group to hear their views and agreed to respond to the issues raised.

Country Level Dialogue and Partnerships with Civil Society

Consultation with civil society has been an important component in ADB operations. Following are examples of ADB's consultation activities involving a broad range of CSOs in Asia and the Pacific.

In Bangladesh, consultations and regular quarterly meetings were organized with representatives of key NGOs and apex organizations as well as the private sector to exchange views on ADB's operations and policies, and identify options for potential collaboration. Discussions likewise covered providing technical advice to NGOs on designing gender-sensitive projects and women empowerment programs.

In the Philippines, the Japan Red Cross Society (JRC), through its local counterpart, the Philippine National Red Cross, participated in the stakeholder consultation undertaken by ADB and the government of Southern Leyte in response to the mudslides disaster that hit the province in February 2006. The series of mudslides caused widespread damage and loss of life that occurred following a 10-day period of heavy rains and a minor earthquake.

Together with Plan International and the Philippine Business for Social Progress, the JRC was involved in the preparation of a needs assessment report that paved the way for JFPR grant assistance

9102: Southern Leyte Landslide Disaster Assistance Project. The JRC had indicated that they will undertake a parallel project that will complement and not duplicate what ADB has designed with the key local stakeholders—assistance to the affected communities.

In preparing the 2006 Country Performance Assessment of the Kyrgyz Republic, ADB's resident mission in Bishkek sought and incorporated the views of a representative cross-section of CSOs on the Government's performance in the areas of social development, gender equity, governance, and structural economic policies. The Kyrgyz Republic Resident Mission is committed to achieve greater transparency and establish better links with local CSOs through special project site tours for NGOs that demonstrate ADB's input into the development process in the country. The resident mission organized a field trip for human rights and environmental CSO representatives to ADB-financed Bishkek–Osh road. The representatives visited the rehabilitated parts of the road and discussed the construction process and maintenance aspects with representatives of China Road, Project Implementation Unit staff, and the Deputy Minister of Transport. CSO representatives were provided with the opportunity to ask questions—and did so—on topics such as labor rights and environmental and social impacts.

The Office of the Special Project Facilitator conducts regular outreach activities to civil society groups. A training course on Complaint Handling for NGOs under the Earthquake and Tsunami Emergency Support Project (ETESP) Housing Component was held in ADB Extended Mission in Sumatera, Banda Aceh. This was followed by a pilot training on complaint handling for Bina Swadaya Village Mobilization Facilitators and Community Mobilization Specialists, also in Banda Aceh.

Earthquake and Tsunami Emergency Support Project in Indonesia

The overall goal of the Earthquake and Tsunami Emergency Support Project (ETESP) is to help rebuild the affected regions and support their economic revival to meet the Millennium Development Goals. The immediate purpose of ETESP is to provide disaster management rehabilitation and reconstruction support to facilitate economic revival in the affected regions, through restoration of livelihoods; and to restore essential public services and rebuild infrastructure, with the aim of alleviating constraints faced by the lack of adequate public goods and facilities.

In cooperation with Bina Swadaya, ADB puts community empowerment as a central approach to help enable the people of Aceh and Nias attain sustainable sources of livelihood especially in the agriculture, fisheries, and irrigation sectors. Established in 1958, Bina Swadaya is one of the largest NGOs in Indonesia. “Bina Swadaya” is an acronym of Badan Pengembangan Swadaya Masyarakat, which means Community Self-Reliance Development Agency. It is a people-centered development agency managing a number of services oriented toward developing self-reliant communities. The NGO has extensive experience working with poor farmers.

Bina Swadaya mobilizes experts in 14 districts on participatory development and community mobilization, training, microfinance, and livelihoods. The team is supported by 31 subdistrict mobilization facilitators and over 400 village mobilization facilitators who are selected by the local communities. Bina Swadaya provides community facilitation services in three subcomponents, namely: agriculture, fisheries, and irrigation, to support the community-driven development strategy of BRR, the Executing Agency. Bina Swadaya helps farmers, fishermen, and water users’ associations in tsunami- and earthquake-affected districts to improve their organizational skills and management capacities. The NGO implements strategic facilitation and coaching on alternative income-generating skills, microfinance, and small business development to enable community associations become sustainable self-help groups. By developing strong networks with other stakeholders, the self-help groups could then be equipped with the capacity to help rebuild the future Acehese economy.

On 10 November, ADB through the Azerbaijan Resident Mission, organized a presentation on activities in Azerbaijan and its programs on HIV/AIDS. Participants included the country’s leading representatives in civil society and the government sector. The discussions underscored the need to work together to address HIV/AIDS in a rapidly growing oil-rich country of Azerbaijan.

In 2006, a country programming mission met with Honiara-based NGOs to discuss priority development issues and ADB’s country programming strategy in Solomon Islands. The meeting was organized with ADB’s Pacific Liaison and Coordination Office.

ADB continues to exchange views with civil society groups and explore potential partnerships and help move forward its goal of reducing poverty in Asia and the Pacific. A number of international

and local CSOs from across the region—which include groups like the Habitat for Humanity, International Council on Social Welfare, One World Trust, Vérite, Oil Workers Rights Protection Organization (Azerbaijan), and Visayan Forum Foundation (Philippines)—visited ADB in 2006. ADB actively participated in conferences and acted as resource persons in events organized by NGOs like the Malaysia-based International Council on Management of Population Programmes, and the Asia-Pacific Region of the World Organization of the Scout Movement.

2. Enhancing Transparency and Interaction through Access to Information

Implementing the Public Communications Policy

Through enhanced communications, ADB can build strong and productive partnerships with key

constituencies, including civil society partners. To achieve this goal, ADB approved in April 2005 the Public Communications Policy (PCP) that became effective on 1 September 2005. Since its approval, ADB has pursued new strategic directions on external relations. The public information and disclosure unit (InfoUnit) was created as part of the Department of External Relations and became operational in July 2005.

On information disclosure, the PCP mandates all project-related documents prepared during the project cycle to be posted on the web. In particular, documents addressing social or environmental issues, and those summarizing the proposed project design, are disclosed before decisions have been made so that affected people can have a chance to influence project design. While the policy is not retroactive, ADB was able to declassify older documents that would have been publicly available had they been created when the PCP was in effect.

After just a year of the PCP's implementation, ADB has significantly improved access to operational information on its website. Web users can now search ADB's projects database and find all the documents related to a project in a single view. Recent feedback from stakeholders including CSOs indicates that they can access more information from ADB as a result of PCP implementation.

ADB has successfully implemented a presumption in favor of disclosure. When ADB receives requests for information and documents, it reviews the information that it holds and what can be disclosed. This has resulted in ADB clearing more operational documents for public release, many of which could not be disclosed under ADB's 1994 disclosure policy.

ADB has organized staff capacity building and put into place mechanisms to facilitate disclosure of operational information. It has since organized staff capacity-building and training sessions, developed a disclosure management system, and conducted awareness-raising missions among government and CSOs in member countries.

Communication with Civil Society

In 2006, ADB published six issues of the Part-

nership Newsletter, an electronic bulletin developed to keep CSOs informed of activities in and around ADB. The bimonthly bulletin provides recipients with information about ADB policy developments, projects, conferences, documentation, and educational and training opportunities in Asia and the Pacific. The Partnership Newsletter also cites the latest ADB documents available to the public. By the end of the year, its subscriber base had topped 1,100.

The NGOC maintains a website (www.adb.org/ngos) dedicated to ADB's collaboration with CSOs. The regularly updated site explains how CSOs can collaborate with ADB, and contains minutes of consultations, annual reports of cooperation with NGOs, studies, articles, policies, speeches, and other documents. Among the additions to the site was an extensive section on sources of funding for CSOs. At the end of the year, the CSO website emerged as one of the busiest first-level folders of ADB's web site as it ranked top 19 among the most-accessed first-level directories.

The NGOC facilitates CSO access to ADB through a dedicated e-mail account, ngocoordinator@adb.org. The NGOC regularly checks the account and promptly answers most queries. It receives an average of 1,600 electronic messages per year.

3. Partnership with Leading Conservation Organizations

Implementation of a Memorandum of Understanding with the World Wide Fund for Nature

Through a memorandum of understanding (MOU), ADB and the World Wide Fund for Nature (WWF) continue to develop and collaboratively implement ventures to address poverty and environmental challenges. Partnership activities during 2006 included the continuation of existing programs in some countries and the initiation of collaboration in some new areas. The WWF provided support in reviewing ADB policies/strategies; there was considerable information and knowledge exchange.

Since the last ADB–WWF consultation meeting in October 2005, collaboration between the two organizations in the Greater Mekong Subregion

(GMS)—primarily on the Biodiversity Conservation Corridors Initiative under the GMS Core Environment Program—substantially accelerated. This program provides the enabling framework for broadening and deepening attention to environmental concerns within the GMS Economic Cooperation Program.

WWF worked with ADB, Government of Papua New Guinea (PNG), and the private sector proponents of the PNG Gas Project to evaluate risks to biodiversity in the Lake Kutubu Basin. Cooperation with WWF contributed to development of loan conditions relating to routing of the proposed pipeline and road construction, taking into consideration areas of high biodiversity and cultural importance and proposed protected areas. Guidance was also provided on the structuring of a catchment management program as a biodiversity offset and community assistance in protecting their land against invasive species.

The Sulu Sulawesi Seas subregion is the focus of a WWF initiative in cooperation with ADB, in particular because of the importance of fisheries to the national economies of Indonesia, Malaysia, and the Philippines. More than 30 million people living in those three countries depend on fisheries production for their livelihoods, and many more benefit from commerce related to those resources. The objectives of this project are to find ways to mainstream marine conservation and sustainable fisheries in national development strategies. The particular focus is on poverty and environment linkages, i.e., ways in which marine fisheries strategies could contribute to poverty alleviation and conservation. The project is supported by ADB through its Poverty and Environment Program with contributions from the Packard Foundation through WWF-United States.

WWF continues to be involved in ADB's ongoing SPU, continued information and knowledge exchange, and a look ahead at possible areas for future collaboration under the partnership. Considerable progress has been achieved during 2006 in strengthening working relations for better environmental management in the region consistent with the objectives of the ADB-WWF MOU.

Implementation of MOU with the International Conservation Union

At the World Conservation Union Congress held in Bangkok in November 2004, the President of ADB and the Director General of the International Conservation Union (IUCN) signed an MOU to shape their future cooperation. More than three quarters of IUCN's multistakeholder membership are CSOs, and the United Nations Economic and Social Council (ECOSOC) has accredited the organization as an NGO.

ADB continues to recognize IUCN as an ADB partner of long standing and acknowledges the valuable professional advice and support ADB has long received from IUCN environment and natural resources management. The engagement between IUCN and ADB has been strategic because IUCN sees itself as a strategic partner that can assist with knowledge generation and convening of stakeholders. In particular, IUCN's special interest in its partnership with the ADB includes regional issues such as trans-boundary environmental management, biodiversity conservation, water, air, trade, and environment.

Poverty, Health, and Conservation: An ADB–IUCN Partnership

To understand the complex synergies between poverty, health, and conservation, ADB and IUCN are jointly undertaking a project focusing on poverty as it relates to:

- Livelihoods and natural resources;
- Conservation and sustainable use of biodiversity;
- Health and ecosystems; and
- Related political, institutional, and policy challenges.

By better understanding these key issues, ADB and IUCN can help support the countries of the

Asia and Pacific region in addressing these challenges and achieving the Millennium Development Goals. Ultimately, improving conservation and sustainable use of biodiversity resources can further strengthen poverty reduction efforts in the region.

The collaboration involves sharing of experiences and knowledge building on the discussions and lessons learned from the World Conservation Congress in Bangkok in November 2004. These will help ADB, IUCN, and other development partners refine their strategies for incorporating poverty and health considerations into biodiversity conservation efforts. The studies also propose ways to overcome political, institutional, and policy challenges to reverse the loss of environmental resources and reduce poverty by creating multistakeholder coalitions and alliances, protecting rights to resources, and promoting gender equity.

ADB and IUCN aim to expand collaboration through the Clean Air Initiative for Asian Cities (CAI-Asia) in Karachi, Pakistan. ADB will rely on IUCN for its convening power to facilitate this process. ADB also hopes to draw upon IUCN in carrying out environmental situation analysis in the context of the country partnership strategy (CPS) process in different countries.

4. Lessons Learned in Civil Society Cooperation

In June 2006, the Operations Evaluation Department published a special evaluation study on the Involvement of Civil Society Organizations in Asian Development Bank Operations. The paper aims to review progress and identify lessons from the implementation of ADB business practice to ensure broad stakeholder participation; analyze the involvement of country CSOs in ADB operations; and contribute to the current review and formulation of new operational policies and strategies.

Key findings of the study include the following:

ADB's capacity to engage CSOs effectively in the country strategy and programming (now called country partnership strategy or CPS) process has been strengthened in recent years. In general, CSO involvement is restricted largely to consultation at the formulation stage. Despite the increased consultations, the concerns of grassroots organizations and beneficiaries might not always be reflected effectively in CPS formulation.

The proportion and volume of loan, TA, and grant operations with CSO involvement have increased in the past decade. The typology of CSO in-

volvement in ADB operations is increasingly diverse. However, CSO involvement in strategically important areas, such as policy advocacy and monitoring and evaluation, is comparatively rare.

ADB has allocated more resources on CSO capacity building particularly on organizational development of grassroots CSOs, such as WUAs and farmers' groups. However, strategies that strengthen CSO capacity in institutional and network development need to be developed. The paper found that grants under the JFPR, PRF, and national poverty reduction strategy allow a more systematic and sustained approach to strengthening CSO capacity as a significant partner in ADB operations.

The study found out that strategies for involving civil society as partners in implementing ADB governance and anticorruption policies are weak. The paper suggests that ADB has not worked systematically to harness CSOs in fighting corruption.

On the other hand, the paper cited that ADB's strategy for involving CSOs in implementing gender and development (GAD) policies has been effective, particularly in its long-term approach and early focus on institutional capacity building by putting in place appropriate legislation and regulations in DMCs.

ADB has made progress in developing the processes for knowledge creation and capture regarding CSO involvement in ADB operations. The NGOC has enhanced ADB's capacity for knowledge creation from additional sources, within and outside ADB. Much of this knowledge, however, is based on qualitative, rather than quantitative, data and information.

The study recommends that ADB:

- Strengthen quality-at-entry processes for CSO involvement in ADB operations based on a systemic analysis of previous good practices, and allocating the resources for CSO involvement in the design of projects that envision this involvement.
- Enhance CSO involvement in CPS formulation and review whenever appropriate in the country context and the design of the program.
- Improve CSO partnership capacity in thematic and sectoral policy formulation and implementation by making a greater effort to harness the skills and capabilities of CSOs in the fight against corruption.
- Strengthen ADB knowledge management systems for CSO involvement through (a) formulating criteria and categories for good practice of CSO involvement, and (b) improved categorization of ADB resident mission information systems on CSOs and improved knowledge retrieval by ADB headquarters.

PART III: DIRECTIONS IN ADB-CIVIL SOCIETY COOPERATION

ADB's cooperation with CSOs can be expected to remain at a high level in 2007. Numerous loan projects under preparation during 2006 had involved CSOs, particularly through consultations and as consultants under project preparatory technical assistance.

As part of the broader effort to strengthen and systematize the application of participatory methods in ADB programming, CSOs will be engaged in the consultation processes for CPS development in countries like the PRC, India, and Pakistan, as well as for the Safeguard Policy Update and elaboration of the Energy Strategy. ADB will continue working to improve the quality and consistency of applying C&P in its operations. For example, the NGOC is working on a pilot project with the Sri Lanka Resident Mission to make that field office a model within the institution for the use of C&P.

In March 2007, ADB headquarters also expects to host representatives of about 20 advocacy groups associated with the NGO Forum on ADB for a day of meetings with ADB staff on issues of concern and interest. In addition, at least 100 representatives of accredited CSOs are expected to participate in ADB's 40th Annual Meeting, to be held in May 2007 in Kyoto, Japan. Panel discussions will be organized in the context of the NGO/Civil Society Program to address topics such as ADB's support to expanding Asia's energy capacity and use of clean energy, improving the effectiveness and relevance of the safeguard policies, and upholding the core labor standards.

In the area of capacity building among ADB staff, ADB will continue to implement training programs aimed at strengthening civil society engagement in the context of the tripartite partnership involving ADB, government, and civil society. One such course, scheduled for the second quarter of 2007, will target staff of ADB's resident missions in Beijing and Ulan Bataar. In addition, ADB will organize a staff training course for resident mission staff and team leaders on fulfilling ADB's social analysis requirements, which among other things cover

participation involving stakeholders such as civil society groups. Internal training on how to use the Staff Guide to C&P will be organized on at least two topics, including C&P in the infrastructure sector, and C&P in CPS preparation and implementation.

Finally, implementation of numerous CSO-run projects that seek to prevent and curb HIV/AIDS and corruption will continue with ADB financing.