

ADB's Annual Report 2009

I. About the Asian Development Bank

(1) Name and Address

Asian Development Bank (ADB)	
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(2) Representative to NARBO

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(3) Background on Organization

Historical Background. The ADB was conceived amid the postwar rehabilitation and reconstruction of the early 1960s - the vision was of a financial institution that would be Asian in character and foster economic growth and cooperation in the region. The Philippines capital of Manila was chosen to host the new institution, which opened its doors on 19 December 1966 with 31 members. Through the years, ADB's work and assistance levels have expanded alongside its membership as the region has undergone far-reaching changes. From 31 members at its establishment, ADB has grown to 67 members – of which 48 are from within the Asia and Pacific region, and 19 outside. See <http://www.adb.org/About/history.asp>

Purpose and Role. ADB is an international development finance institution. ADB's vision is an Asia

and Pacific region free of poverty. Its mission is to help its developing member countries (DMCs) substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration. See <http://www.adb.org/About/default.asp>

Number of Staff. ADB's staff numbers around 2,000, coming from around 67 member countries, including 48 from the region.

Amount of the Annual Budget in 2009. In 2009, ADB approved loans worth \$13.23 billion for 93 projects. Technical assistance, which is used to prepare and implement projects and support advisory and regional activities, amounted to \$267 million. Grant-financed projects totaled \$1.113 billion for 64 projects. See <http://www.adb.org/About/operations.asp>.

Projects. ADB works in partnership with governments and public and private enterprises in its developing member countries on projects and programs that will contribute to economic and social development, based on the country's needs and priorities. ADB extends loans and TAs to its DMCs for a broad range of development projects and programs. See <http://www.adb.org/Projects/> .

Organizational Structure. The highest decision making tier at ADB is its Board of Governors, to which each of ADB's 67 members nominate one Governor and an Alternate Governor to represent them. The Board of Governors meets formally once a year at an Annual Meeting held in a member country. The Governors' day to day responsibilities are largely delegated to the 12-person Board of Directors, which performs its duties full time at ADB's HQ in Manila. The ADB President, under the Board's direction, conducts the business of ADB. The President is elected by the Board of Governors for a term of five years and may be reelected. See <http://www.adb.org/About/management-staffing.asp> for details. View full organizational chart at http://www.adb.org/About/ADB_Organization_Chart.pdf.

II. About NARBO Activity

(1) Contact Person and Web Site

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(2) NARBO Activities Implemented/Supported in 2009

ADB, as member of the NARBO Secretariat together with Japan Water Agency and ADB Institute, has played a key role in NARBO activities. In 2009, ADB continued its support to the network to improve water governance and to help achieve IWRM in river basins throughout Asia. ADB provided expertise through exchange of information and experiences, and technical advice.

Performance Benchmarking and Peer Review of River Basin Organizations. ADB recognizes the vital leading and facilitating roles that RBOs play in managing river basins, and the need for performance improvement so that RBOs can better meet increasing challenges in the water sector. NARBO's performance benchmarking service for RBOs, launched in September 2005 after a one-year participatory design process, is expected to enable RBOs to track its progress, to enable comparisons with the performance of other organizations; and to improve the efficiency and effectiveness of their service delivery. The pilot performance benchmarking and peer reviews were completed for Jasa Tirta 2 in Indonesia, Laguna Lake Development Authority in Philippines, Red RBO in Viet Nam, and Mahaweli Authority of Sri Lanka. A fifth pilot was completed for Balai Besar Citarum in Indonesia during the 1st quarter of 2008.

In early 2009, the pilot performance benchmarking and peer reviews were completed in six additional RBOs in Indonesia under ADB's regional technical assistance (RETA 6351 Process Development for Preparing and Implementing IWRM Plans), as follows:

- Balai Besar Wilayah Sungai (BBWS) Mesuji-Sekampung
- Balai PSDA Way Sekampung- Way Seputih
- BBWS Cidanau-Ciujung-Cidurian
- Balai PSDA Cidanau-Ciujung
- BBWS Brantas (East Java)
- Perum Jasa Tirta I (PJT1-Brantas)

Publication: Water Rights and Water Allocation – Issues and Challenges for Asia. The topic of water rights is of great interest to NARBO members as it helps to introduce IWRM in river basins. Water rights emerged as the top-ranked topic in a survey of training needs carried out among NARBO members. In response, NARBO initiated a series of four workshops on the theme of water allocation and water rights starting December 2005, in partnership with NARBO member organizations from Indonesia, Lao PDR, the Philippines, Thailand, Viet Nam and subsequently Sri Lanka. ADB supported

the sequence of workshops held in Hanoi, Manila, and Bangkok; including the fourth held in Saitama, Japan in January 2007, and a culminating workshop on water rights held at ADB's Headquarters in May 2007. These workshops served as foundation in crafting a knowledge product on water rights: *Water Rights and Water Allocation – Issues and Challenges for Asia* which is expected to assist RBOs in introducing or implementing effective and efficient water rights system. In August 2009, the ADB publication *Water Rights and Water Allocation – Issues and Challenges for Asia* was introduced at the Stockholm International Water Week in Sweden.

Letter of Intent for Collaboration to Improve Water Security in River Basins through the NARBO.

The Presidents of ADB and JWA signed a letter of intent (LOI) on 12 January 2009 at the ADB Headquarters in Manila, Philippines to further strengthen the cooperation between ADB and JWA, and to expand their scope of collaboration on NARBO activities. NARBO Chairperson Dr. Mochammad Amron and NARBO Vice-Chairperson Mr. K. W. Ivan de Silva witnessed the signing of the LOI. Specifically, the LOI aims to:

- introduce and develop IWRM in river basins;
- work and collaborate with the Center for River Basin Organizations and Management (CRBOM) in Indonesia;
- support basin water investments to improve water security; and
- strengthen the interaction with leaders and decision makers through NARBO activities.

IWRM Guidelines at River Basin Level. The IWRM Guidelines were published by UNESCO in collaboration with the Ministry of Land, Infrastructure, Transport and Tourism, Government of Japan, JWA, ADB and NARBO in March 2009. Prior to their global launch at the 5th World Water Forum in Istanbul, the guidelines were pre-tested by NARBO in its 5th IWRM training held in the Vu Gia-Thu Bon river basin in central Viet Nam, and the guidelines were used as main reference materials in the 6th NARBO IWRM training. The IWRM Spiral Model, which is introduced in the guidelines, shows IWRM performance in river basins as a spiral process of continuous improvement in response to impacts caused by various drivers. Each turn of the spiral represents inclusive efforts to develop a solution that advances economic, social and environmental objectives in the basin within the evolving conditions, and seeking to optimize the satisfaction of the various stakeholders with the solution. The Guidelines argue that this process can be pursued regardless of the strength of the enabling environment, and that the identification of one or more keys for success at each turn of the spiral can help to secure a successful outcome. Progress up the spiral can be supported by single activities or projects, or by sequencing these in a roadmap for a longer-term IWRM investment program.

NARBO Technical Advisory Committee. NARBO is keen to improve the quality and credibility of its annual training program on IWRM to the level of a prestigious regional flagship program. At NARBO's 3rd General Meeting in Indonesia last February 2008, NARBO agreed to establish the Technical Advisory Committee (TAC) which will review and advise NARBO's leadership and secretariat in revamping the training program, based on experience gained by NARBO over the past four years and taking into account

approaches and experiences by other training providers. ADB helped in establishing the NARBO TAC; and supported the conduct of the 1st NARBO TAC Meeting in Singapore last 5 April 2008, back-to-back with the meeting of the regional water knowledge hubs. ADB also supported the 2nd NARBO TAC Meeting in Singapore last 25 June 2009.

5th and 6th NARBO IWRM Training Programs in Viet Nam, February 2009 and December 2009, respectively. ADB supported the training programs which helped to

- Explain the process of IWRM, particularly as it is implemented in river basins, emphasizing trans-disciplinary nature
- Demonstrate a sound understanding of basic sectoral aspects of IWRM, including: irrigation, hydropower, environment, water-related disaster management, institutional coordination, etc.
- Apply the “IWRM Guidelines at River Basin Level” to introduce, implement and improve IWRM; and to outline basic “IWRM process” – (i) recognizing and identifying; (ii) conceptualizing; (iii) coordinating and detail planning; (iv) reaching an agreement; and (v) implementing, monitoring and evaluation; including policies/national strategies, legislative framework, financing which are important throughout entire IWRM process
- Understand “Keys for Success” that can be used in practice to help IWRM succeed and to enable breakthroughs in challenging situations, opening the door to better IWRM
- Introduce new thinking on river basin management: performance benchmarking of RBOs, peer review process, roadmap advisory service, Strategic Environment Assessment (SEA) and Benefit Sharing, using the Vu Gia – Thu Bon (VGTB) as case study.
- Produce good example of “case story” and “extracted keys for success” from the VGTB river basin; and to critically evaluate the VGTB case study and present this evaluation in terms of barriers and enablers to IWRM in the basin
- Explain how these keys for success may be applied in their own river basins

NARBO Secretariat Meetings. ADB participated in NARBO Secretariat meetings with either JWA and/or ADBI on several occasions in 2009, which discussed measures to improve planned activities of NARBO.

Promoting NARBO in Regional Events. ADB participated in regional events on water which provided the opportunity to promote NARBO and its activities.

(3) Resolutions and Expectations for NARBO Activities

ADB will continue to play a key role in NARBO, providing technical and financial support, guidance and direction to its activities (including training program, thematic workshop, performance benchmarking of RBOs, newsletter, web site, etc.) as provided for in the NARBO Action Plan. ADB expects NARBO to significantly improve its activities in the coming years, with increased cooperation from member organizations.