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Mr. Christopher W. MacCormac

Director

Strategic Planning, Policy and Interagency Relations

Asian Development Bank

Comments on the LTSE, MTSF, EGR Papers & Consultation Process

Dear Mr. MacCormac,

We, undersigned representatives of civil society of the countries of Central Asia and Caucasus first of all would like to express gratitude for having opportunity to express opinion about such document as the Long- Term Strategic Framework that we could also represent in the process of the regional consultation held in Bishkek (Kyrgyz Republic) on August 10, 2007.

In connection with the discussion of the given document we propose the following remarks and suggestions.

About the regional consultation

In the whole the logistics of the organized meeting was satisfactory, but it was necessary to send questions, that ADB wanted to be answered, to the participants beforehand not less than 15 days ahead.

Conduction of the joint session of representatives of civil society, private sector, governmental structures seems more rational in conditions of the separate discussion of the given theme in the given groups. But the discussion of the last form was held in Bishkek. In the process of the joint meeting there would be more productive exchange of the developed suggestions and remarks that would promote higher level of inter-sector collaboration and mutual understanding as well as their interaction with the ADB. For the last the ADB started to organize such joint meetings, and adoption of such sustainable principle will be only welcomed by us.

The brevity of the discussion at the meeting in Bishkek (half a day) gave rise to the unfavorable criticism; probably the given condition was caused as the dialogue as such was not carried at the Bishkek meeting. The developers only listened and made notes, though besides providing evaluation of the document the participants had a line of questions not to be asked at the request, but to share their own opinion. If during the second half of the day the joint meeting of the above-mentioned groups was held it would

not only smooth temporary disadvantage but would lead to greater effectiveness of the meeting.

We would like to express gratitude for distribution of the working documents of the meeting in Russian language, we observed not only homage to the historical past of our region but observed aspiration of the ADB for establishment of trustful relations, in more practical course, with representatives of our countries. However, the appearance of the main strategic documents of ADB not only in Russian but also in the state languages of our region is desirable. As the presence of the ADB in our region is being increased it should strive not only for such position but should provide it.

Developing Asia: problems of development

In the working documents it was emphasized not once and twice that the most countries of Asia will become countries of moderate prosperity by 2020, therefore the Bank should be able to provide them with valuable development in this “rank”. In connection with that it should be noted that for the moment of appearance of the ADB at the beginning-middle of 90-s for instance in Central Asia these countries were already close to such position.

After the break of the usual social-economic links during the disintegration of the Soviet Union our countries appeared in the situation of necessity to maintain independently physical and social infrastructure at the same, sufficient high level. Only gradual modernization and preservation of the sufficient level of access of population to infrastructure were needed. However, one had to ascertain that the decline of development and weakening of the high social-economic achievements were continuing in the most part of the countries after 10-15 years of assistance of the ADB and other international institutes to development of our region. In spite of the fact that some countries restrained such decline (at the expense of the existing market conjuncture but not at the expense of achievement of valuable sustainable development) the citizens of the given countries have no strong conviction and guarantees in duration and stability of such phenomenon. In addition consequences of the Asian crisis of 1997 were imposed on the crisis phenomenon of disintegration of the unified state of in former times, it only deepened our problems. In any case no one country achieved its own indices of social-economic prosperity of the end of 80-s yet.

At the very beginning of changes our countries had a very low level of external debt, but nowadays we faced the high growth of the external debt (state and private sectors) that was formed on account of credits taken hastily from the ADB. Constriction, almost total destruction of usual social welfare and benefits for population took place in conditions of a hard pressure of the external debt. Within the retentive high percentage of the adult literate population our countries faced unprecedented phenomena unknown for it such as mass expansion of indigence and abject poverty, sharp decrease of access to services of health care that led to high indices of child’s and maternal death-rate and others, otherwise if for 10 years before the announcement of Millennium Development Goals our

countries were close to provide them, then after 15 years of the given announcement these goals became inaccessible.

We could not find even one line with the sober self-criticism concerning plans and actions of the ADB (also in our region) in the Long-term Strategic Framework, or Medium –term Strategy II.

Therefore we state the following: without relieving responsibility of the governments of our countries such position of things allows making the conclusion that the ADB as other internal institutions of development also carries its own portion of “participation” in small successfulness of development of some our countries. The ADB could not distinctly and strictly comprehend the problems of our region before entering in it, could not select long-term, middle-term trends of its own activity in assisting to the countries of moderate prosperity being in the period of changes, period of inclusion into the global world processes. Otherwise the level of its reciprocal measures to problems of our region continues to remain insufficient and insufficiently adequate in spite of all undertaken efforts and attempts by the ADB.

Strategic program

In connection with the main strategic spheres of interference defined by the ADB the following should be noted:

About sustainable economic growth and inclusive social development

From the experience of our countries it could be witnessed when the given element of promotion of sustainable development becomes an end in itself, then concepts are replaced. The figures of the growth can be received by various methods: they can be “drawn” for a report, otherwise the growth in paper can be shown , and if the growth really takes place then one of two mega projects do not make healthy the economy of the country in the whole. In principle our countries somehow or other demonstrate constant growth, nevertheless it does not reflect the real state of things. Our countries as a lot of other Asian countries faced the outflow of thousand and thousand of people, workers and brain drain to the developed countries. It happens not because the growth is not sufficient. Ordinary person is ready to carry a lot of unsolved problems until he feels comfort in his own country, and it means that he should have access to **qualitative** basic social services. Words about the economic growth are idle sounds, if the confidence, that the doctor will treat in reality, a teacher will teach, is lost. In the suggested documents you can not find links of parameters of growth and its quality. The doubtful euphemism “inclusive development” fabricated by the Bank unwarrantably replaced the term “sustainable human development” recognized by the whole international community bringing problems to opportunities of some access leaving issues of its quality aside.

About ecological sustainability

The Long-term Strategic Framework declares a straight –out ecological growth; however the current discussed variant of the new Energetic Strategy of the ADB wears the

conciliatory character and follows the unrestrained growth of such countries as India, China and other “Asian tigers”, without prescription of the strict observance of principles of rational and economical consumption of energy carriers and their savings by these countries. The project does not support development of alternative sources and absolutely in most cases supports schemes fully based on use of fossil fuel: coal, oil, gas in priority order that will only promote further negative climatic change in the world. Moreover, the Bank predetermines wittingly, dictates routes of supply arrogantly without taking into consideration interests and demands of the country.

Thus, there is inconsistency of the Bank on the hand: the project of the new Energetic strategy of the ADB contradicts the present Long-term Strategy Framework. In reality the Bank confesses such principles in the sphere of counteraction to the global change of climate that do not coincide with the principles of the United Nations in the whole: the Bank intended to satisfy the increasing demand in electric energy through increase of coal production, development of Carbon Market Initiative, assistance to trade with quota. These events do not restrict the climate change, global rise in temperature and other natural cataclysm.

It is necessary to include ecological expenses in the projects implemented by the ADB. During development and implementation of its strategies the Bank should consistently and persistently establish of their compliance with the Long-term Strategy Framework.

About regional collaboration

One of the pillars of the Long-term Strategy Framework is the regional development through collaboration, and in MTSF-2 it is frankly said about the necessity of the ADB to be more proactive in the given trend. In connection with it we emphasize: the regional development is not introduced “from the top” at will of the following donor. The hasty and thoughtless push of such processes can lead to aggravation of conflicts, to slowing down, and also to stoppage of the growth of counties.

In addition the scanty list of the basket of the regional public welfare suggested by the ADB demonstrates that the Bank does not conceive the given concept itself, and if you look attentively at the list of the public misfortunes then you realize that mainly they are not as such: they are only “secondary” products received as “makeweight” as a result of gradual entry of our region into the worldwide global processes.

In connection with that inclusion of such states as Afghanistan and Pakistan into the number of the “protected” countries by the department of Central and West Asia seems extremely doubtful. These two countries never had and will not have valuable, scaled cultural- political and economic links with our region in the nearest 15- 20 years. Such position of the ADB causes deep doubts about non-partisanship and unbiased attitude, about its ability to be an “honest” broker between the countries. Moreover, when the long-term strategy proclaims that the ABD is ready to take a leading role in the developing country- member it causes the firm aversion of arrogant plans of the Bank, accusation that the Bank (or a new great regional investor in the person of it) wishes only to “use” the current weakness of this of that country.

It should be noted that when the ADB announces about the regional collaboration then it loses sight of elementary democratic procedures and adjustments of interests guaranteeing citizens the right for possession and rational use of their natural resources. The conception famous as Free Prior Informed Consent is not known to the bank or it is ignored by it. Only in cases of agreement with citizens of our countries as real owners such resources can be given for the worthy payment. Any attempts of the bank of development to change such situation will be perceived by people- owners of the national resources as aggressive intrusion of the scenarios of risky development.

Implementation of the strategy

One of the priority trends of the ADB till 2015 will be assistance to Good Governance. Tendency to make such statement for effect becomes obvious in the light of various political regimes of the countries in our region. But it is impossible to provide accountability, predictability and transparency of governing in even one totalitarian-authoritarian country. During lack of freedom it is not possible to raise issues of corruption, moreover when the bank itself occasionally promotes development of corruption on account of the weakness of policy of ADB control, and anticorruption policy of the Bank does not provide the mechanisms substantiating existence of corruption, and the mechanism of accountability is bureaucratized. In addition the ADB does not provide open information about the level of corruption in the countries of the region.

In the countries where there is no freedom of movement of goods and services they tie the idea of Good Governance of the ADB with extension and protection of economic rights and freedoms thereby unwarrantably pulling them out from the total integral complex of keeping civic freedoms and social rights of a human being.

For achieving the Good Governance the Bank supports legal reforms but in connection with the Long-term Strategic Framework it is not clear what bodies (UN, country or bank essentially) intended to stick to the ADB during the change of ecological and labor standards. Meanwhile our countries faced the fact when after the reforms imposed by the banks of development the national standards were invariably decreased that caused great problems in providing the security of residence of population and labor of the wage earners.

Speaking of the Good Governance, the Long-term Strategic Framework avoids silently the problem of frequent change of governments, and consequently answers for questions concerning the system of succession and responsibility of the Bank for the long-term projects are not reflected.

It is said in the Long-term Strategic Framework that the motor of economic growth is activation of the private sector in the physical and social infrastructure, but in the chapter on Good Governance you can not find even one line that its elements: accountability, transparency also apply to the private sector. Words about necessity of so called partnership of the state and private sector predominate, and the goal is lost, for the

sake of what there is such necessity. Citizens of the country act in the Long-term Strategic Framework as passive weak-willed subjects of the efforts of the ADB, state and private sector.

The general priority of the Governance is decentralization of the state services, with what we are not categorically concordant. Something being good for one country during some circumstances is not completely acceptable for another country, especially in so called fragile states, where the state system is in some fragile position. Such decentralization can lead to beginning of chaos and disorder, establishment of dictation of the field regional commanders in military or civic uniforms. It is a dangerous forcible approach. In addition it can not be a priority of the Bank as it verges upon direct interference in internal affairs of the state. The country itself should make a decision: whether it wishes to become cantonal Switzerland or it is beyond its power, may be it is not in compliance with the demands of development at all. This decision can not be imposed even by one international bank of development.

We hope that all above-mentioned remarks and suggestions will be taken into consideration during development of other future strategies and policies of the ADB.

Regards,

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