



22nd September, 2006.

Mr. Rajat Nag,
Director General,
Southeast Asia Department,
Asian Development Bank,
6 ADB Avenue,
Mandaluyong City
1550 Philippines

By email and post.

Dear Mr. Nag:

Please find enclosed IRN's analysis and recommendations regarding the Regional Technical Assistance 'Developing the Greater Mekong Subregion Energy Sector Strategy' (TAR REG 39002). This paper has been prepared in response to the open invitation for comment extended by the ADB to participants of the Technical Assistance's (TA) First Planning Workshop held in Bangkok on 31st July 2006.

In recognition of the important environmental, social, and transboundary implications arising from developments in the energy sector, the ADB has attempted to incorporate a participatory process into the TA design. IRN recognizes that this represents a step forward when contrasted with traditional energy planning practices in the region. Despite this effort, however, IRN's overriding conclusion is that the TA's participatory mechanisms are inadequate and the lack of meaningful participation by all stakeholder groups undermines the legitimacy of the TA to generate a Regional Energy Sector Strategy. As such, IRN recommends that the TA should not attempt to prepare a Regional Energy Sector Strategy as currently proposed. Instead, IRN encourages ADB to support the call made in January 2006 by 30 NGOs for the instigation of a Comprehensive Energy Options Assessment (CEOA) process for the GMS in the immediate future.

IRN recognizes, however, that it is too late to cancel the TA and that the consultants may conduct some valuable analysis that could feed into a CEOA process. IRN therefore offers analysis and specific recommendations towards the present TA. Issues covered include: internalization of external costs; evaluation of the potential for demand side management; data quality and disclosure; the ADB's assumption towards the benefits of regional integration; and the ADB's assumption towards the role of the private sector. IRN encourages ADB to revise the TA design according to the recommendations made.

I look forward to receiving your response in the near future.

Yours sincerely,



Carl Middleton,
Southeast Asia Campaigns
International Rivers Network

Cc: Executive Directors, Asian Development Bank
Members of the TA Expert Panel
Ms. Rita Nangia, Special Projects, Southeast Asia Department, Asian Development Bank
Mr. John Cooney, Infrastructure Division, Southeast Asia Department, Asian Development Bank
Mr. Bart Edes, NGO and Civil Society Center, Asian Development Bank
Ms. Amparo Dato, Asian Development Bank
GMS Country TA contact points
Dr. Leo Schrattenholzer, Integriertes Ressourcen Management
Dr. Anders Granlund, Swedish International Development Cooperation Agency
Mr. Goran Haag, Swedish International Development Cooperation Agency
Mr. Alexis Bonnel, Infrastructure Division, Agence Française de Développement
Mr. Kurt Mørck Jensen, Royal Danish Ministry of Foreign Affairs
Mr. Hideyuki Satsuma, Japan Bank for International Cooperation
Mr. Mohinder Gulati, Energy and Mining Sector, East Asia and Pacific Region, World Bank
Ms. Yuwaree In-na, United Nations Environment Programme
Mr. Sergio Feld, United Nations Development Programme
Mr. Pranesh Chandra Saha, Environment and Sustainable Development Division, United Nations for Economic and Social Commission for Asia and the Pacific
Dr. Robyn Johnston, Australian Agency for International Development
Dr. Olivier Cogels, Mekong River Commission
Dr. Weerawat Chantanakome, ASEAN Centre for Energy
Mr. Chhith Sam Ath, NGO Forum on Cambodia
Mr. Witoon Permpongsacharoen, Towards Ecological Recovery and Regional Alliance
Dr. Nguyen Manh Cuong, Vietnam Union of Science and Technology Associations
Mr. Marc Goichot, World Wildlife Fund Greater Mekong Programme
Mr. John Dore, International Union for the Conservation of Nature