

The Asian Development Bank and Rural Development

Policy and Practice

Robert Wihtol

M in association with
MACMILLAN ST ANTONY'S COLLEGE
PRESS OXFORD

Contents

	Page
<i>List of Tables and Figures</i>	vii
<i>List of Abbreviations</i>	ix
<i>Preface</i>	xi
1 Introduction	1
Research on Development Banks	6
Political and Organisational Explanations	9
The Framework of this Study	11
2 The Asian Development Bank	16
How the Bank Operates	16
Voting Power and Financial Influence	20
Decision-making in the Bank	24
3 Donor Policies and Interests	31
JAPAN	32
Japanese Policy in the Bank	33
The Rural Sector	38
THE UNITED STATES	42
US Policy in the Bank	43
The Rural Sector	48
THE OTHER DONORS	50
Policy Issues	51
Rural Development	55
4 The Bank's Rural Development Policy	58
MODERNISING AGRICULTURAL PRODUCTION	58
The Asian Agricultural Survey	59
The Japanese 'Model' for Agricultural Development	63
RURAL DEVELOPMENT	66
The World Bank and Rural Development	67
The Second Asian Agricultural Survey	70

Changes in Bank Policy	73
Rural Development Policy Since 1980	78
5 Organisational Constraints	81
Fund-Channelling	81
Project Formulation	89
Organisational Structure	94
6 Operational Policies and Practices	98
The Country Allocation of Lending	98
Procurement Practice	107
Consulting Services	115
Local Cost Financing	119
7 Irrigation and Rural Development	122
Rural Lending by Subsector and Policy Objectives	123
Irrigation Projects and Rural Development Projects	130
Irrigation in Indonesia	135
Irrigation and Rural Development in the Philippines	140
8 Rural Credit and Roads Projects	144
RURAL CREDIT	144
Agricultural Credit in Nepal	147
Fisheries Mechanisation in Sri Lanka	153
ROAD CONSTRUCTION AND IMPROVEMENT	155
Road Construction in the Philippines	162
9 Conclusion	170
The ADB and Rural Development	170
The Prospects for Change	174
<i>Notes and References</i>	179
<i>Bibliography</i>	200
<i>Index</i>	211