

FORUM BRIEFER 01-18

ADB's Inspection Function under Review

Violeta O. Perez-Corral, NGO Forum on ADB (March 2001)*

The Asian Development Bank's inspection policy was approved in December 1995 and became effective in October 1996. It provides a formal channel through which local groups can raise concerns about the Bank's involvement in certain development projects. The policy aims at improving the quality, transparency and accountability of the Bank's operations. From the ADB's Guidebook on Inspection Policy:

Under the inspection policy, a local group (in borrower country) can request an independent review or 'inspection' of a public sector project financed by the Bank if the group believes it is being directly or materially harmed because the Bank has not followed its own operational policies and procedures in connection with the project. Before requesting an inspection, the local group must bring its complaint to the attention of the Bank's Management. If the group is unsatisfied with Management's response, it can make a request for inspection of a project to a standing committee of the Bank's Board of Directors, the Inspection Committee.

The Inspection Committee will examine the request and recommend to the Board of Directors whether the project should be reviewed. Any inspection carried out by the Board should be carried out by a panel of independent outside experts drawn from a standing roster. This inspection panel will report its findings to the Inspection Committee, which will forward the panel's report and its own recommendations to the Board of Directors.

In September 1998, the Bank initiated the review process for its inspection policy; a working paper was presented to the ADB's Board a year later. This working paper is currently being revised, and once a draft is completed, will again be available for review and comments by all stakeholders. Box 1 shows the highlights of the Bank's response to comments made by US-based NGOs - Bank Information Center (BIC), International Rivers Network (IRN), Center for International Environmental Law (CIEL) -- on the working paper.

According to the ADB, its Guidebook on the Inspection Policy is being translated into regional languages - Thai, Khmer versions completed; Lao and Mandarin versions still being prepared. The Bank is conducting workshops for NGOs to raise awareness of the Inspection Function. A leaflet on the inspection process has been printed and will be translated into local languages for distribution through ADB's Resident Missions.

On 5 March 2001, the Secretary of the Bank (DR BINDU LOHANI) issued an invitation at large to submit nominations for the inspection panels' Roster experts. The terms of the current Roster will expire on 30 June 2001. About 20 experts will be selected for nomination.

For more information on the ADB's Inspection Function, you may contact: MS JILL DRILON (jdrilon@adb.org), Secretary, Inspection Committee at ADB.

* The NGO FORUM ON ADB (FORUM) is a network of diverse non-governmental organizations (NGOs), peoples' organizations (POs), community-based organizations and other public interest groups with advocacy and campaigns relating to the Asian Development Bank (ADB). The Manila-based Secretariat can be reached at: Room 402, 107-A Kalayaan Avenue, Diliman, 1101 Quezon City, Philippines; Telefax: +632 9297987; E-mail: forum@pacific.net.ph. Visit our homepage: www15.brinkster.com/ngoforum.

Inspection Function under Review

BOX 1. Highlights of ADB's Response to NGO Comments on Inspection Function.

NGO Comments	ADB Response
<ul style="list-style-type: none">· <i>Permanent panel instead of Roster of Experts</i> to ensure independence, and an institutional structure to safeguard and promote the inspection function	<ul style="list-style-type: none">· <i>Roster of Experts favored</i> to allow broader representation of nationalities and technical expertise; to ensure independence, conflict-of-interest provisions in effect for Inspection Committee and independent panel members
<ul style="list-style-type: none">· <i>Too long and complicated process</i> – 110-day delay between bringing a complaint and having an independent panel review that complaint; English language requirements; requirement to show specific (ADB) policy violations	<ul style="list-style-type: none">· <i>Number of steps is same as those in World Bank and IADB</i> – ADB requires complainant to bring complaint to attention of ADB's Management, and puts a deadline of 45 days for Management's Response (two other MDBs do not include such a time limit)· <i>Consideration being given to support translation of requests</i>· <i>Requirement to show ADB policy violations is to ensure the quality and good governance of ADB's operations</i>
<ul style="list-style-type: none">· <i>Private sector operations should be covered</i>	<ul style="list-style-type: none">· <i>Coverage of private sector operations is being reviewed</i> – ADB is currently consulting with private sector companies through a survey
