

NGO CONSULTATION FORUM: ACCOUNTABILITY OF ADB OPERATIONS*

Friday, 11 May 2001, 11:00 – 1:00
ADB 34th Annual Meeting, Honolulu, Hawaii

Q1: How do you evaluate program lending?

A1: We are more comfortable with evaluating project lending. We are developing a methodology together with other MDBs. It is more challenging as there are many indirect impacts besides the policies taken under a program.

Q2: There are some projects in India approved before 1995, these power projects concentrated on building the capacity. Suggestions made in the report are not related to the project itself.

A2: Experience has shown that projects are not isolated, need to look at sustainability, and this depends on maintenance, etc. One can not draw the line physically around a project's direct activities. Need to look at sector involvement as well.

Q2b: MDBs usually concentrate on physical aspects.

A2b: Some projects have a policy content attached to the project.

Q3: How do you select projects for evaluation?

A3: To have an unbiased evaluation, we select projects randomly. Other problems are found out during implementation. For example, resettlement issues. That is the role of the PPR and the PCR, to identify problems that arise from each project.

Q4: Give an example of projects where you have intervened.

A4: We will follow up later regarding that.

Q5: All the projects evaluated are they in the web site?

A5: All the evaluation studies are in the web site.

Q6: The criteria relevance, efficacy, etc. appears to say that monitoring is done regularly. You mentioned maintenance issues. But we don't have proper monitoring. Can you evaluate sustainability without proper monitoring? OED needs to track them. The effects have far reaching consequences.

A6: ADB is not the owner or the operator of the project. We provide TA and finance. When we evaluate, we look at the five criteria. During implementation, we monitor through the PPR. After operations, the government will have to assume responsibility.

Q7: You put conditionality on fundamental aspects.

A7: It is the government which puts the conditionality through its policy matrix. Government has to play an important role. ADB objective is to see itself as a facilitator.

Q8: Government says that the conditionality are put by ADB.

A8: Since the reforms are difficult, the govt. may say it originated from ADB.

* Forwarded to NGO FORUM ON ADB by Maria Lauren E. Laurito <laurito@adb.org>, Office of Environment and Social Development, Asian Development Bank.

Q9: *Your COS quoted: We are going to lend to reform oriented states.*

A9: Better quotation: We are willing to work with states that are undertaking reforms. It is through program lending. We would not force program loans on governments which are not ready for reforms.

Q10: *In the India program loan, is the policy matrix put forward by ADB or Gujarat government? One suggestion is that both parties should say which reforms they put forward as a responsibility matrix.*

A10: Basis of program success is not done in a similar way.

Q11: *WTO does not accept that they push for liberalization. It is a matter of where the power lies. The Bank is a bank, it would help to understand if we know who is behind the reforms.*

A11: Countries need budgetary support. The policy reforms are supported by program loans. We do not yet have a better way to promote the reforms.

Q12: *Lot of governments are not representative of the people and are not accountable. What happens to your evaluation findings?*

A12: We send the reports for comments and distribute and make recommendations.

Q13: *Is there conditionality on further lending if the recommendations are not followed?*

A13: Yes, there is.

Q14: *Kirindi Oya project. We were asking you to investigate this project in Sri Lanka.*

A14: We have a PPAR on this, completed in 2000.

Q15: *OED looks at some evaluations. Projects cost a lot, can you evaluate all projects?*

A15: It is a matter of resources. We are trying to upgrade the PCR self-evaluation process which is 100 percent coverage. During the PCR preparation, OED staff will be involved. Then we can give our stamp on the PCR.

Q16: *How do you ensure participatory evaluation?*

A16: In the field, we spent 2-3 weeks talking to all stakeholders, starting with government, executing agencies, project implementers, affected persons, villagers, and we validate suggestions and discuss how to address issues at the wrap-up meeting with EAs.

Q17: *How come no one talked to the NGO which was complaining about Kirindi Oya project?*

A17: We will get back on that.

Q18: *How do we find out about evaluation reports that are done? There is a gap in finding out the reports. Poor don't have computers.*

A18: NGOs can provide a role regarding this aspect.

Q19: *The PPAR is sent to the community. Community is not aware of PPAR.*

A19: Same question in the Inspection Panel. How do we go back to you NGOs?

Q20: *PPR is it available to the public? PPAR is prepared by your office?*

A20: PPR is available in the intranet? Not internet. PPR is not prepared by OED

Q21: *Instead of 40 percent random sample, can you have 5-10 percent project with complaints? For example, Thai project, and Sri Lanka Kirindi Oya project.*

A21: We will consider that.

Q22: *Do you evaluate consultants?*

A22: Consultants are evaluated by the users. If we have consultants who failed, we talk to them and we carefully consider this. We take the complaints into account.

Q23: *What are the accountability measures that the ADB has for anti-corruption?*

A23: OGA audit to see whether the control mechanisms are working.