

NGO CONSULTATION FORUM: INSPECTION FUNCTION*
Friday, 11 May 2001 , 9:00-11:00
ADB 34th Annual Meeting, Honolulu, Hawaii

Q: Is the existing inspection policy being reviewed, and at what stage is the review?

A: The Inspection Committee has not yet reviewed the procedures and policy in ADB, although a group of staff have started

World Bank: A number of policy review: Is there a policy violation? The conditionality of the program may be contrary to the policy. The Bank may have failed to supervise the program.

Q: How are the experts selected? Could one be a national of the country? Is the Bank obliged to follow the recommendations of the experts?

A: No specific criteria on selecting expert from the roster. Consider expertise, geographic experience, etc. There are no set number of panel members. Once panel appointed, it reviews and reports back to the Committee, and the recommendations are presented to the Board. After Board approval, the report would be made public.

Q: There are just two opportunities to respond. Is it fair for the community?

A: This is one aspect that should be reviewed.

Q: Request made to expand and interpret flexibly the current inspection policy.

Q: If ADB approves the inspection panel, this implies that ADB accepts that there is something that needs to be inspected. The fact that ADB inspection exists may mean that there may be lapses that need to be inspected.

A: When Board makes the decision to approve inspection, then Board considers that the request is not clearly ineligible and there could be possible questions. There is tentative view that request is not ineligible.

Q: After the inspection panel reviews and finds that a policy has been violated, then is there a possibility that the project would be suspended?

A: This depends on the finding of the panel and their recommendations. If the panel find that there is a breach, then the Committee considers the issues and reports to the Board on whether the recommendations are justified and makes recommendations to the Board. The Board would then consider the recommendations.

Q: On roster of experts and the panel members are selected, if the panel members are accepted by ADB but the people do not feel that the panel members represented are appropriate, then the people should be able to revert to the Committee if the panel members are not acceptable to them.

A: The panel is selected from the roster, and appointed by the committee. The NGOs are consulted on the roster of experts, and based on recommendations, experts are selected. Government also recommends (but currently only 11 out of 65). Time needs to be considered in getting the panel members on-board. Should there be a consultation in selecting panel members? We recognize the concern and need to consider how panel members may be constituted quickly and in a consultative process.

Q: ADF VIII Donor report; the donors noted with concern the absence of inspection since the establishment of inspection function, need for info dissemination, higher independence.

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

A: ADB outreach program is in place. Publications are being translated into local languages. We are aware of the issue of independence and will consider this. Samut Prakarn has heightened the significance of the inspection function. This should shed light on what should be done to strengthen the inspection function. The process experienced in World Bank has been straight forward and extensive. There is no reason to doubt that the inspection would not be fair.

Q: On current inspection policy, there is no mention on whether the judgement on any inspection can establish a precedence.

A: As a practical matter, the Samut Prakarn case will indicate strengths and weaknesses. Inspection panel does not prevent Government from moving forward with the project.

Q: This could be procedural, but on substantive side, this would be very difficult since every case is different. It is dangerous to consider inspection function as a legal mechanism.

Q: Why did ADB publish a brochure on such a controversial project on Samut Prakarn, when a request for inspection has been made? At the end of the day, what will the Board do? On precedence, can community groups bring precedents from local or international courts to the inspection policy.

A: The brochure is not the initiative of the inspection committee, but a response from project side. On legal precedents, independent legal advice should be sought on this. On the outcome of panel findings, we are dealing with unexplored territory.

Q: What is the real time frame to ensure that comments are incorporated into the new policy of inspection?

A: ADB will consult with NGOs before going out with recommendations to the Board. It is unthinkable that the Bank would adopt a policy without input from the community/CSOs

Q: Since IP is independent we would like to see all documents made public. Also, once IP provides recommendations, then there is no need to maintain IP, since the recommendations go to the Board. The ADB procedure seems to be a way to legitimize what ADB is already doing.

Q: The various NGO forums have heard a number of cases from different countries in which NGO representatives of affected communities allege breaches of Bank policy and practices. It appears that very few of the communities are aware of IP. ADB should contact the community to provide information on the inspection panel.

Q: Many NGOs have raised the same issues that are being discussed in the meetings held earlier this year, but nothing seem to be incorporated.

A: On the lack of faith of the inspection process, we hope that this is not the case.

Q: Bank's private sector operation and application of inspection policy. This is ironic. The private sector has no accountability to the country, to the people. There is a need for application of inspection on private sector operations.

A: A mechanism more appropriate for private sector operations is being considered.