

ACCOUNTABILITY MECHANISM

Policy Review 2010

For more information, visit www.adb.org/AM-REVIEW/

What is the ADB Accountability Mechanism?

In May 2003, ADB approved a new accountability mechanism (AM) to replace the previous 1995 Inspection Function. The mechanism was established to provide better access for people adversely affected by the ADB-assisted projects to voice and seek solutions to their problems and also report alleged violations of ADB's operational policies and procedures.

Establishment of the mechanism is also an effort to enhance ADB's development effectiveness, project quality and transparency in operations.

The key feature of the mechanism is its two related functions: *consultation* and *compliance review*. The first is *consultation* among stakeholders focusing on problem solving. It is led by ADB's Special Project Facilitator. If a satisfactory solution cannot be reached, a filing of complaint for consultation is found ineligible, or the consultation process has reached advanced stage and there are concerns on compliance to ADB's operational policies and procedures, it is possible to request a *compliance review*. The Compliance Review Panel is responsible for this phase.

AM Policy Review

Background. At the 43rd Annual Meeting of the Board of Governors of ADB in Tashkent in May 2010, the President of ADB announced that ADB would undertake a joint Board Management review of its AM.

A joint Board and Management Working Group has been established to undertake the review comprising four Board members and the Managing Director General. Two international external experts, Dr. Ishrat Husain and Dr. Maartje van Putten, have been engaged to assist in the review. The review includes a public consultation process, involving face to face discussions with stakeholders and seeking comments from the public through a dedicated AM review website. The Strategy and Policy Department (SPD) is providing secretariat services to the Working Group.

More information on the review is contained in the AM review website <http://www.adb.org/AM-Review/>.

Objectives and Issues. The objective of the review will be to review the experience since 2003 and examine the scope for improvements in the AM. The review will be broad based and will include, among others, the following aspects:

1. Analysis of the effectiveness and adequacy of the AM in the light of its historical perspective, objectives, and the principles as contextualized in the 2003 policy.
2. Evaluation of ADB's experience with the AM since 2003, reflecting the changing context of ADB operations, especially the adoption of Strategy 2020.
3. Comparison and analysis of ADB's AM with other relevant comparators.
4. Consultation with stakeholders including the public, project affected people, governance, ADB Board members, Management, operational staff, nongovernmental and civil society organizations.
5. Addressing of key issues arising out of the analysis, comparison, evaluation, and consultation. Some issues have been raised by different stakeholders, as listed below:
 - i. The approach to site visits required under the current AM, which requires borrowing country permission to carry out site visits.
 - ii. The relatively limited recourse to the compliance review phase.
 - iii. The level of independence of the mechanism, including reporting lines, ownership, and dissemination of AM documents and materials; as well as issues of budgeting, staffing, performance assessment, access to independent legal advice, and the right to engage experts and consultants.
 - iv. Accessibility of the mechanism by affected people.
 - v. The eligibility criteria for filing a complaint.
 - vi. The effectiveness of the Office of the Compliance Review Panel (OCP) and ADB in information dissemination and conduct of public outreach (level of awareness about the ADB AM).

- vii. Assessment of implications for bringing projects into compliance in terms of time required, delays, and increase in financial costs.
 - viii. Taking in particular concerns of developing member countries (DMCs) on board, an observation on the broader impact that the AM has had on ADB's approach to decision making and project selection.
 - ix. From the experience of ADB and other similar institutions, examination and comments on the extent of benefits obtained by the complainants and/or adversely affected people.
 - x. Any other issues that are viewed as important for improving the ADB AM.
6. Recommendations, based on the above analysis, for changes and improvements in the policies, the functioning of the AM, and its operating and administrative procedures.

Box 1. Timeline of AM Review and Consultations

Phase 1 – Public Invited to Comment on Current Accountability Mechanism Policy (web-based): [June-September 2010]

ADB is inviting stakeholders to comment on its current accountability mechanism policy. Phase 1 will last for 12 weeks from June to September 2010. Comments received will be considered in the preparation of the first draft revised policy.

Phase 2 – In-Country and Interim Consultations: [September-November 2010]

ADB will hold in-country consultations in six developing and developed member countries. The proposed locations are Colombo, Frankfurt, Jakarta, Manila, Tokyo, and Washington DC. The consultations will involve a wide range of interested stakeholders, including government officials, nongovernment organizations, project-affected people, project beneficiaries, the private sector, development agencies, and the public at large. ADB will also consult with internal stakeholders, including its Board of Directors, Management, and staff

Phase 3 – Public Invited to Comment on the Draft Revised Policy (web-based): [December 2010]

Feedback collected during phases 1 and 2 will be considered in preparing the draft revised policy. The draft revised policy will be posted on the ADB website for 8 weeks. Comments received will help to fine-tune the revised policy.

Consultation Plan

The Asian Development Bank (ADB) is committed to a participatory and transparent consultation process for the review of its accountability mechanism policy. The process will involve a wide range of stakeholders, including government officials, non-government organizations, project-affected people, project beneficiaries, the private sector, and the public at large.

The goal of the consultations is to give all interested stakeholders the opportunity to help improve the effectiveness of the accountability mechanism and thereby improve ADB's development outcomes.

The consultations will have three phases (Box 1). In the first phase, ADB is inviting public comments on the current accountability mechanism policy through the ADB website. In the second phase, ADB will hold in-country consultations in both developed and developing member countries (box 2). In the third phase, ADB will invite public comments on the draft revised accountability mechanism through the ADB website. A dedicated accountability mechanism review website has been established.

Key comments received will be posted on the ADB website.

Box 2: Locations and Dates of AM Policy Review Consultation 2010

Locations	Dates
Colombo	30 September to 1 October
Tokyo	28-29 October
Washington DC	2-4 November
Frankfurt	8-9 November
Jakarta	11-13 November
Manila	15-16 November

Your views matter to us

ADB invites your comments on its current Accountability Mechanism Policy and suggestions on how to improve it. Your comments will be carefully considered in preparing a report on the review of the Policy. We look forward to hearing from you.

To submit comments, please e-mail: amreview@adb.org

To Know More

An AM review dedicated webpage is available at www.adb.org/AM-Review/default.asp