

ICB/SR1-02
12 September 2002

ANNUAL REPORT

OF THE

INSPECTION COMMITTEE OF THE BOARD

2001-2002

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I. INTRODUCTION

1. The Board of Directors approved the Establishment of an Inspection Function on 5 December 1995.¹ The Board paper sets out the inspection policy of the Asian Development Bank (ADB) which establishes a formal channel through which local communities, organizations and other groups—and, in special circumstances, members of ADB's Board of Directors—can make a request for inspection.

2. The Board paper provided for the appointment by the President, in consultation with the Board, of a six-member standing Committee of the Board, the Inspection Committee (BIC). As announced by the President at the Board meeting of 14 March 1996, general principles are followed in making appointments to the BIC: (i) the BIC should include, at all times, three individuals from borrowing members of ADB, one from a regional non-borrowing member and two from non-regional members; and (ii) new appointments to the BIC would be made on a rotating basis; and (iii) the terms of the BIC members would be staggered.

3. As of 1 July 2001, the BIC was composed of Mr. John Lockhart (Chairman), Mr. Kh Zaheer Ahmed, Mr. Frank Black, Mr. Erik Johnsson, Mr. Othman Jusoh and Mr. S.L. Seneviratne (members). The terms of Mr. Lockhart, Mr. Black, Mr. Johnsson and Mr. Othman were due to expire on 30 June 2002, and the terms of Mr. Ahmed and Mr. Seneviratne on 30 June 2003. Mr. Othman resigned from the BIC on 9 July 2001, and was replaced by his Alternate, Mr. Ram Binod Bhattarai for the remainder of his term. Mr. Johnsson resigned from the BIC on 31 August 2001 on completion of his assignment at ADB, and was replaced by Mr. Maarten Verwey for the remainder of his term. Mr. Lockhart resigned from the BIC on 31 March 2002 on completion of his assignment at ADB, and was replaced as Chairman of the BIC by Mr. Ahmed, and as a member of the BIC by Mr. Stephen Sedgwick. In April 2002, Mr. Black resigned from the BIC on principle, following ADB Management's response to the findings of the Samut Prakarn Inspection Panel². Details of the membership of the BIC from 1996 to 30 June 2002 are provided in Appendix 1.

4. The terms of reference of the BIC, which were derived from the Board paper on *Establishment of an Inspection Function*, are attached as Appendix 2. The terms of reference were drawn up by the BIC and attached to the BIC's Annual Report 1996-1997, which was noted by the Board.

II. ACTIVITIES OF THE INSPECTION COMMITTEE

5. The BIC had twenty-five formal meetings during 2001-2002, the period under review, to consider five inspection requests and various administrative matters. In addition, the BIC held 20 informal meetings as well as working sessions with the Inspection Panel for the Samut Prakarn Inspection.

¹ DOC.R225-95: *Establishment of an Inspection Function*, 10 November 1995.

² Letter from Mr. Black to the President dated 18 April 2002, in which he said "As a strong matter of principle, I felt that I should no longer associate myself with the Bank's current inspection process via BIC membership, following the Bank Management's decision to reject totally the findings of the first-ever independent Panel of Experts commissioned by the Inspection Committee."

A. Inspection Requests

1. Samut Prakarn Wastewater Management Project

6. On 11 April 2001, the BIC received a request for inspection (the Request) of the Samut Prakarn Wastewater Management Project (the Project) in Thailand from three residents of the Klong Dan community (the Requesters). The Request alleged that ADB had violated some of its operational policies and procedures in processing the Project, particularly in processing the second loan, a supplementary loan, approved on 3 December 1998. The Request claimed that the alleged policy violations would harm residents in the Klong Dan subdistrict, where the wastewater treatment plant was being constructed under the Project.

7. In accordance with the *Inspection Procedures*, the BIC reviewed the Request and determined its eligibility for inspection. In June 2001, the BIC recommended an inspection to the Board, which approved the recommendation at its meeting on 10 July 2001. As required under paragraph 45 of the *Inspection Procedures*, the BIC selected an inspection panel (the Panel) from the Board-approved roster of experts to conduct the inspection. The Panel commenced its work at the end of August 2001.

8. The BIC supervised the inspection, including developing the terms of reference and budget for the Panel, and assisting the Panel in preparing its work plan. The BIC also communicated with the Director for Thailand, the Government of Thailand, ADB's Management and staff and the Requesters on issues arising under the inspection, and issued news releases on various events during the inspection.

9. Also in July, in accordance with the *Inspection Procedures*, the BIC sought confirmation with the Director for Thailand that the Government of Thailand had no objection to the Panel's visiting the project area for meetings with the requester and other local communities. However, the result of the ensuing consultations was that no site visit was undertaken. As a direct consequence of this, the Panel decided to suspend the work and submitted its Interim Report on 27 November 2001.

10. On 14 December 2001, the Panel submitted its Final Report to the BIC, as advised to do so. The BIC forwarded a copy to Management requesting a response within 30 days, in accordance with the *Inspection Procedures*. After considering the Panel's report and ADB Management's response, and consulting with the Director for Thailand and ADB's Management, the BIC made a recommendation to the Board³ on the outcome of the inspection. The Board considered the BIC's report and approved the recommendation at its meeting on 25 March 2002, with a clarification (see attached extract of the Minutes of the Meeting of the Board of Directors – Appendix 3).

11. The direct cost of the Samut Prakarn Inspection Panel was \$196,393, which was charged to the 2001 Inspection Function budget.⁴ Details of the direct cost of the inspection are in Appendix 4.

³ Report and Recommendation of the Inspection Committee to the ADB Board of Directors Inspection Request: Samut Prakarn Wastewater Management Project, (DOC. Sec.M35-01), available on the web site at <http://www.adb.org/Projects/SamutPrakarn/RRIC/default.asp>.

⁴ The inspection function budget does not cover the cost of the support the BIC received from the Office of the Secretary or the Office of the General Counsel, which deputed their staff for BIC work with appropriate firewalls.

12. At the end of 2001, ADB's Management initiated a comprehensive review of the Inspection Function, incorporating lessons learned from the experience of other institutions as well as from ADB's own experience with inspection requests, including the Samut Prakarn inspection.

2. Southern Transport Development Project

13. The BIC received four inspection requests about the Southern Transport Development Project in Sri Lanka (STDP), from four different requesters (i) Gama Surakeema Sanvidhanaya (GSS) (6 November 2001); (ii) Unified Society for the Protection of Akmeemana (USPA) (17 January 2002); (iii) The Organization of Victims of Colombo-Matara Highway and Entrance Ways – Kahatuduwa (21 February 2002); and (iv) Affected Communities of Dodangoda; Gamagoda; Nugethota, Akuratiya; Athkadura Parana Janapadaya; Kurundugaha Haethakma; Kokmaduwa; and Sultanagoda, Akurugoa (15 March 2002).

(i) Gama Surakeema Sanvidhanaya

14. On 13 August 2001, the President received a complaint on the STDP from GSS, an organization of residents of villages along the northern end of the proposed Southern Expressway.

15. On 6 November 2001, the BIC received a written Request for Inspection (the Request) from GSS alleging that ADB had violated some of its operational policies and procedures. The requesters also stated that their information was incomplete as they did not have access to ADB's *Operations Manual* (OM). The BIC responded that since the Request appeared to be incomplete, and the OM had subsequently been sent to the Requesters, the Committee would defer further action on the letter pending receipt of the full Request for Inspection. On 11 December 2001, the BIC received *Supplemental Data for the Request for Inspection*, which contained specific references to the alleged breach of operational policies and procedures as found in the OM. The Committee therefore determined, at its meeting of 14 December 2001 that the full Request for Inspection had been received on 11 December 2001.

16. The BIC reviewed the Request on 14 December 2001 and determined that, *prima facie*, it was neither clearly ineligible nor clearly frivolous. Accordingly, on 19 December 2001, the BIC requested ADB's Management to respond to the Request. On 20 December, Management requested an extension of the deadline until 11 February 2002, which was approved by the BIC Chairman on 26 December 2001. The BIC received the response on 11 February 2002.

17. After considering the Request and Management's response, the BIC decided, in accordance with paragraph 40 of the *Inspection Procedures*, to consult a member of the roster of experts before making its decision whether to recommend an inspection to the Board. The BIC requested, on a no-objection basis, an extension⁵ of time to consult the roster member and submit its recommendation to the Board. The extension was approved by the Board on 25 February 2002. Taking into account the opinion of the roster member, as well as the Request and the Response and other relevant information, on 21 March 2002, the BIC recommended to the Board that there was insufficient basis to warrant an inspection of the STDP at that stage. In

⁵ DOC.R48-02: *Southern Transport Development Project, Sri Lanka – Request for Extension of Time for Inspection Committee's Recommendation*, 21 February 2002.

accordance with paragraph 42 of the *Inspection Procedures*, the BIC's recommendation⁶ was circulated to the Board for approval on a no-objection basis, and was approved by the Board on 12 April 2002.

(ii) Unified Society for the Protection of Akmeemana

18. On 21 September 2001, the President received a complaint on STDP from USPA. Management responded to the complaint with a holding response in October and a comprehensive response in November 2001.

19. On 17 January 2002, the BIC received a request for inspection from USPA (the Request). On 24 January 2002, the BIC reviewed the Request and decided that, *prima facie*, it was neither clearly ineligible nor clearly frivolous; accordingly, it requested a response from ADB's Management. As with the first request, the BIC decided to consult a roster member, and requested an extension⁷ of time to submit its recommendation to the Board. The extension was approved by the Board on a no-objection basis on 19 March 2002. After due consideration of the Request, the response and the roster member's advice, the BIC decided to recommend to the Board that there was insufficient basis to warrant an inspection of the STDP. The Board approved the BIC's recommendation⁸ on a no-objection basis on 29 April 2002.

(iii) The Organization of Victims of Colombo-Matara Highway and Entrance Ways – Kahatuduwa

20. The President received a complaint on the STDP from the Organization of Victims on 3 December 2001, and Management responded on 18 January 2002. The BIC received a Request for Inspection on 21 February 2002. The BIC, at its meeting of 13 March 2002, decided that the Request was clearly ineligible, and informed the President that no further response was required.

(iv) Affected Communities of Dodangoda; Gamagoda; Nugethota, Akuratiya; Athkadura Parana Janapadaya; Kurundugaha Haethakma; Kokmaduwa; and Sultanagoda, Akurugoa

21. The President received a complaint on the STDP from the Affected Communities on 5 January 2002 and Management responded on 22 February 2002. The BIC received a request for inspection on 15 March 2002. The BIC, at its meeting of 10 April 2002, decided that the Request was clearly ineligible, and informed the President that no further response was warranted in this case.

B. Administrative Matters

22. The BIC considered various administrative matters, including those on the conflict of interest provisions drawn up by the BIC in 1997 and noted by the Board as part of the BIC's Annual Report for 1997-1998; information and communication on inspection-related matters;

⁶ DOC.R77-02: *Loan 1711-SRI: Southern Transport Development Project Inspection Request Submitted by Gama Surakeema Sanvidhanaya*, 21 March 2002.

⁷ DOC.R66-02: *Southern Transport Development Project, Sri Lanka – Inspection Request Submitted by the Unified Society for the Protection of Akmeemana – Request for Extension of Time for Inspection Committee's Recommendation*, 15 March 2002.

⁸ DOC.R84-02: *Loan 1711-SRI: Southern Transport Development Project Inspection Request Submitted by the Unified Society for Protection of Akmeemana*, 15 April 2002.

and extension of the deadlines set out in the *Inspection Procedures*. It was decided to seek further guidance from the Board on these issues.

IV. BUDGET

23. An allocation of \$330,000 was budgeted for 2001 to cover the cost of inspections and an amount of \$16,000 to cover the cost of seminars on the Inspection Function and translations of the *Inspection Procedures*. About \$200,000 was used for the Samut Prakarn inspection request and about \$6,000 for the workshops held in Lao PDR and Nepal, and translations and printing of the guidebook and leaflet. A saving of \$140,000 was achieved for 2001.

24. For 2002, an amount of \$530,000 has been budgeted for inspections and costs relating to the Review of the Inspection Function.⁹ The Review was stipulated in the policy paper approved by the Board in 1995, and the cost of hiring two consultants to assist in the Review has been charged to the Inspection Function budget of 2002. As of 30 June 2002, the expenditure incurred under the Inspection Function budget was \$132,000.

⁹ The cost of the external consultations conducted under the Review was charged to a separate budget account of the ADB.

**COMPOSITION OF INSPECTION COMMITTEE
SINCE 1996**

As of 10 July 2001

Board Members			Category	Term in BIC
Chairman:	John Lockhart*	(Australia)	Regional, non-borrowing	1 Feb 01 – 30 Jun 02
Members:	Kh. Zaheer Ahmed**	(Pakistan)	Borrowing	1 Jul 01 – 30 Jun 03
	Ram Binod Bhattarai***	(Nepal)	Borrowing	10 Jul 01 – 30 Jun 02
	Frank Black****	(UK)	Nonregional	1 Jul 01 – 30 Jun 02
	Erik Johnsson*****	(Sweden)	Nonregional	1 Feb 01 – 30 Jun 02
	S. L. Seneviratne	(Sri Lanka)	Borrowing	1 Jul 01 – 30 Jun 03

* Mr. Lockhart resigned from ADB on 31 Mar 02 and was replaced by Mr. Stephen Sedgwick (Australia) to finish Mr. Lockhart's term up to 30 Jun 02.

** Mr. Ahmed was reappointed to the BIC on 1 Jul 01. Mr. Ahmed was appointed Chairman of the BIC on 1 Apr 02 to replace Mr. Lockhart.

*** When Mr. Othman resigned from the BIC on 9 July 2001, Mr. Ram Binod Bhattarai (Nepal) replaced him on the BIC.

**** Mr. Black resigned from the BIC in Apr 02 as an expression of his dissatisfaction with the Management response to outcomes of the inspection of the Samut Prakarn Project.

***** Mr. Johnsson resigned from ADB on 31 Aug 01 and was replaced by Mr. Maarten Verwey (Netherlands) for the remainder of Mr. Johnsson's term.

As of 1 February 2001

Board Members			Category	Term in BIC
Chairman:	John Lockhart	(Australia)	Regional, non-borrowing	1 Feb 01 – 30 Jun 02
Members:	Kh. Zaheer Ahmed	(Pakistan)	Borrowing	1 Sept 99 – 30 Jun 01
	Cahit Akinci*	(Turkey)	Nonregional	1 Feb 01 – 30 Jun 02
	Barry Holloway	(PNG)	Borrowing	1 Jul 99 – 30 Jun 01
	Erik Johnsson	(Sweden)	Nonregional	1 Feb 01 – 30 Jun 02
	Othman Jusoh	(Malaysia)	Borrowing	1 Feb 01 – 30 Jun 02

* Mr. Akinci resigned from ADB on 30 Jun 01 and was replaced by Mr. Frank Black (UK) to finish Mr. Akinci's term up to 30 Jun 02.

As of 1 July 1999

Board Members			Category	Term in BIC
Chairman:	Francesco Pittore*	(Italy)	Nonregional	1 Jul 98 – 30 Jun 00
Members:	Rafiq Akhund**	(Pakistan)	Borrowing	1 Jul 99 – 30 Jun 01
	John Austin	(New Zealand)	Regional, non-borrowing	1 Jul 98 – 30 Jun 00
	Barry Holloway	(PNG)	Borrowing	1 Jul 99 – 30 Jun 01
	Julian Payne	(Canada)	Nonregional	1 Jul 98 – 30 Jun 00
	Prasit Ujjin**	(Thailand)	Borrowing	1 Jul 99 – 30 Jun 01

* Mr. Pittore resigned from ADB on 30 Sept 99 and was replaced by Mr. John Millett (UK) as Chairman of the BIC on 19 Oct 99. Mr. Millett finished Mr. Pittore's term up to 30 Jun 00.

** Mr. Rafiq Akhund resigned from ADB on 31 Aug 99 and was replaced by Mr. Kh. Zaheer Ahmed (Pakistan) for the remainder of Mr. Akhund's term.

*** Mr. Ujjin resigned from ADB on 31 Jul 00.

As of 1 July 1998

Board Members			Category	Term in BIC
Chairman:	Francesco Pittore	(Italy)	Nonregional	1 Jul 98 – 30 Jun 00
Members:	John Austin	(New Zealand)	Regional, non-borrowing	1 Jul 98 – 30 Jun 00
	Li Ruogu	(PRC)	Borrowing	1 Jul 97 – 30 Jun 99
	Julian Payne	(Canada)	Nonregional	1 Jul 98 – 30 Jun 00
	M. Faizur Razzaque	(Bangladesh)	Borrowing	1 Jul 97 – 30 Jun 99
	Ma. Patricia Z. Riingen	(Philippines)	Borrowing	1 Aug 98 – 30 Jun 99

As of 1 July 1997

Board Members			Category	Term in BIC
Chairman:	Hans-Jurgen Stryk	(Germany)	Nonregional	14 Mar 96 – 30 Jun 98
Members:	Vicente R. Jayme*	(Philippines)	Borrowing	1 Jul 97 – 30 Jun 99
	Li Ruogu	(PRC)	Borrowing	1 Jul 97 – 30 Jun 99
	M. Faizur Razzaque	(Bangladesh)	Borrowing	1 Jul 97 – 30 Jun 99
	Naoyuki Shinohara**	(Japan)	Regional, non-borrowing	6 Jun 97 – 30 Jun 98
	Linda Tsao Yang	(US)	Nonregional	14 Mar 96 – 30 Jun 98

* Mr. Jayme resigned from ADB on 31 Oct 97 and was replaced by Mr. Romeo Bernardo (Philippines) to finish Mr. Jayme's term up to 30 Jun 99. Mr. Bernardo subsequently resigned from ADB on 31 Jul 98 and was replaced by Ms. Ma. Patricia Z. Riingen (Philippines).

** When Mr. Hosomi resigned from ADB on 5 Jun 97, he was replaced by Mr. Naoyuki Shinohara (Japan). Mr. Shinohara finished Mr. Hosomi's term up to 30 Jun 98.

As of 14 March 1996

Board Members			Category	Term in BIC
Chairman:	K. Venkatesan	(India)	Borrowing	14 Mar 96 – 30 Jun 97
Members:	Shigeo Kashiwagi*	(Japan)	Regional, non-borrowing	14 Mar 96 – 30 Jun 98
	U. Thein Aung Lwin	(Myanmar)	Borrowing	14 Mar 96 – 30 Jun 97
	Soegito Sastromidjojo	(Indonesia)	Borrowing	14 Mar 96 – 30 Jun 97
	Hans-Jurgen Stryk	(Germany)	Nonregional	14 Mar 96 – 30 Jun 98
	Linda Tsao Yang	(US)	Nonregional	14 Mar 96 – 30 Jun 98

* Mr. Kashiwagi resigned from ADB on 11 Jul 96 and was replaced by Mr. Makoto Hosomi (Japan) to finish Mr. Kashiwagi's term up to 30 Jun 98.

INSPECTION COMMITTEE OF THE BOARD OF DIRECTORS TERMS OF REFERENCE

The Board paper on Establishment of an Inspection Function (R225-95, dated 10 November 1995), approved by the Board of Directors on 5 December 1995, provides for the establishment of an Inspection Committee of the Board to assume certain duties relating to the Bank's inspection function.

Composition

As provided in Board paper R225-95, the Committee shall consist of six members of the Board of Directors, including four regional members (at least three of whom must be from borrowing member countries) and two non-regional members. The President shall appoint the members of the Committee, in consultation with the Board, and shall designate the Chairman of the Committee.

Each member of the Committee shall be appointed for a term of two years, except that three members of the initial Committee shall serve for one-year terms. Their names were chosen by lot by the President shortly after the initial appointments were made.

If a member of the Committee ceases to be a member of the Board of Directors before the completion of the member's term on the Committee, the President, in consultation with the Board, shall appoint a replacement.¹⁰

Terms of Reference

In accordance with Board paper R225-95, the terms of reference of the Committee shall be:

A. Preliminary Review of Inspection Requests

- (i) to receive and consider inspection requests (Requests) submitted by or on behalf of communities, organizations or other groups in the Bank's developing member countries (DMCs), or by one or more Directors;
- (ii) to refer Requests to Management for a written response, if appropriate or necessary;
- (iii) to obtain additional information relating to a Request from the applicant and/or Management, if appropriate or necessary;
- (iv) to consult with a member of the standing roster (Roster) of independent experts concerning the Request, if appropriate or necessary;

¹⁰ The general principles to be followed in making future appointments to the Committee were confirmed by the President to the Board at its meeting on 14 March 1996.

- (v) on the basis of its review of the Request, Management's response and/or any supplemental information or materials, to make a written recommendation to the Board of Directors as to whether an inspection of the relevant project is warranted;
- (vi) upon the Board's consideration of the matter, to notify the applicant in writing of the Board's decision to authorize (or not authorize) an inspection based on the Request.

B. Inspections

- (vii) if the Board authorizes the inspection (Inspection) of a project, to select a panel (Panel) of three or more independent experts from the Roster to carry out the Inspection;
- (viii) to provide the Panel with appropriate terms of reference and a suggested time period within which to conduct the Inspection;
- (ix) to request the consent of the relevant DMC government to the Panel's conduct of Inspection activities in the DMC; and to consult on an ongoing basis with the Director representing the DMC concerning the Inspection;
- (x) to review the Panel's workplan; to respond to the Panel's requests for clarification of its terms of reference and other matters; to make appropriate arrangements for the hiring of one or more consultants to assist the Panel, if necessary; and to generally supervise and facilitate the work of the Panel;
- (xi) to review the Panel's report on the Inspection and Management's written response, and to consult as appropriate with the Panel, Management, the applicant and/or the Director representing the relevant DMC concerning the Panel's findings and Management's response;
- (xii) to submit the Panel's report and Management's response to the Board of Directors together with a written recommendation on the matter;
- (xiii) upon the Board's consideration of the matter, to provide the applicant with copies of the Panel's report, Management's response and any Board decision thereon, and to make these materials publicly available;

C. General

- (xiv) to prepare an annual report concerning Requests received, Inspections undertaken and their results; and
- (xv) to take such other actions as may be necessary or appropriate to perform the duties outlined above.

Meetings

The quorum for meetings of the Committee shall be three of its members. If the Chairman of the Committee is unable to be present in person at a meeting, the Committee shall select another member to preside.

The Committee shall meet as often as it considers necessary.

Administrative Arrangements

As provided in Board paper R225-95, the Office of the Secretary shall provide the necessary administrative services for the function of the Committee and such other assistance as the Committee may require.

**EXTRACT OF THE MINUTES OF MEETING OF THE BOARD OF DIRECTORS (M6-02)
HELD ON 25 MARCH 2002**

2.1 The Board considered DOC.R50-02 and Addendum 1: Inspection Request? Samut Prakarn Wastewater Management Project (Loan Nos. 1410-THA and 1646-THA). The Board noted the Report of the Board Inspection Committee and, after discussion, approved the recommendations as follows:

- (i) The Board approved the Committee's recommendation 83(i) on ADB's commitment to being an active participant in both the discussions with the Klong Dan community and all other efforts mentioned in paragraph 166 of the Panel's Report with the clarification that this recommendation should be understood in the context of paragraphs 57, 58 and 81 of the Committee's Report, specifically:

"57. Paragraph 166(i) proposes that negotiations should be instituted to establish the extent of damages and "appropriate and adequate compensation" for those affected. Management's Response has correctly pointed out (in paragraph 54) that "an inspection is not a judicial process and its purpose is not to adjudicate awards for damages or make suggestions for the settlement of possible damages." The Committee also agrees with paragraph 55 of Management's Response, which notes that the Government of Thailand is obliged (as a matter of Thai law and, by virtue of the loan documents for the project and ADB's resettlement policy) to make appropriate arrangements for the calculation and payment of adequate compensation to those affected by the Project and that it is ADB's job to ensure that ADB's resettlement policy is complied with.

58. The Committee notes however that the Panel's Report does not include any purported award of damages or any suggestion that the Panel regards it as part of the Panel's job to make one. Rather the Committee's interpretation of the Panel's recommendation is that ADB should be an active participant in the process of facilitating the proper assessment of damages by the Thai government and where relevant the award of appropriate compensation.

81. With respect to the recommendations in paragraph 166, Management acknowledged the merits of improving community participation. In this context Management noted that the Pollution Control Department is currently working on a compensation mechanism, in line with ADB's resettlement policy. Management will review progress on this matter every six months. Management further indicated that as an integral part of the EMP for the Samut Prakarn wastewater treatment plant, community liaison groups will be established to foster greater community involvement in the management and operation of the treatment plant. Management indicated that work on establishing baseline data for socio-economic parameters; a mechanism for meaningful community involvement in the risk assessment of future

problems; and a mechanism for timely public notifications is already under way. Management confirmed that while strictly speaking it will not be a partner in any negotiations, it is keen to be an active participant in these efforts.”

- (ii) The Board approved the recommendation 83(ii) that Management continue to monitor resettlement effects and to ensure that all legitimate concerns with respect to consultation with and participation by affected people are met and, to this end Management provide semi-annual reports on the status of implementation of the resettlement plan including payment of compensation; and
- (iii) The Board approved the recommendation 83(iii) that the Board note paragraph 56 of Management’s Response, in which it is stated that data and mechanisms for monitoring the social and environmental impacts have either already been developed and incorporated in the EMP or are being developed as recommended in the EMP; and that the Board instruct Management to provide semi-annual reports on:
 - a. the system for monitoring of socio-economic impacts, based on baseline data;
 - b. the progress in community involvement; and
 - c. problems associated with odor and effluent (if any), together with a description of measures taken.

2.2 The Board agreed that this Board decision in its entirety should be made public in an appropriate form.

**DIRECT COST OF SAMUT PRAKARN INSPECTION PANEL
(US\$)**

Particulars	Amount
Panel's Fees	146,400
Travel	25,655
Per Diem	24,186
Administrative Costs	152
Total	196,393