

**NGO Meeting with the ADB President**  
**3 May 2005, 11:00 am**  
**Ahmet Fethi Pasha Hall,**  
**Lutfi Kirdar Istanbul Convention and Exhibition Center**  
**Istanbul, Turkey**

ADB President Kuroda addressed NGO representatives at the Annual Meeting and pointed out that the ADB has made "serious and genuine efforts" to avoid and eliminate corruption within the institution and its financial activities. Mr. Kuroda expressed appreciation to NGO delegates for sharing their perspectives on how ADB can improve accountability and transparency. He noted that ADB regularly draws on the strengths of NGOs as experts, as sources of project models, as advocates for the poor, and as a source of alternative viewpoints. The President noted that, in 2004, NGOs participated in nearly two-thirds of ADB-approved loan projects. In addition, Mr. Kuroda made mention of the pilot small grants program that provided direct funding to more than 60 projects supporting NGO-run initiatives in 15 countries.

President Kuroda said that comments from civil society on the operation of the accountability mechanism will be an important contribution to a review of the mechanism to be undertaken after December next year. He encouraged NGOs to share their ideas for building upon the current ADB-Government-NGO Cooperation Framework 2003-2005, which has served as a road map for tripartite collaboration in the context of ADB-assisted activities. Mr. Kuroda said that ADB had recently approved its Public Communications Policy, which is part of the bank's overall reform agenda aimed at achieving demonstrable improvements in the impact of ADB's operations. The new policy provides improved access to documents and commits ADB to greater openness with stakeholders.

NGO representatives raised the following issues during the discussion:

- **Accountability Mechanism**

*Civil society organizations have worked with project affected people. ADBs accountability mechanism is designed to solve problems confronting project affected people. However, efforts under the Special Projects Facilitator (SPF) and the Accountability Mechanism are limited considering the culture in the Bank. Under the new President, NGOs hope that project affected people will have a different experience.*

President Kuroda pointed out that the Accountability Mechanism is, in a sense, a unique system. ADB has the SPF to call upon at the early stage of the Compliance Review Panel. The new Accountability Mechanism provides the opportunity for potentially affected people to come to ADB so that reprogramming of projects that could seriously affect people may be considered. This mechanism aims to maximize development impact of projects being implemented. As it is new, the accountability mechanism should be utilized fully before considering its revision.

- Issues on **Corruption** in relation to **ADB funding to Nepal, Samut Prakarn Project, and Melamchi Project**

*ADB should respond more strongly to corruption issues surrounding its operations.*

President Kuroda replied that corruption and fraud are serious issues. ADB is stepping up efforts to eliminate corruption and fraud in the Bank and in ADB-assisted activities and these efforts are serious and genuine. President Kuroda added that while ADB may not be totally successful, he hopes the Bank can reduce the possibility and risk of corruption.

The President explained that ADB is concerned about the political situation in Nepal. ADB is carefully monitoring the situation. If efforts to reduce poverty are not likely to be effective, then ADB can reconsider disbursing funds to Nepal. The World Bank actually approved a new project in Nepal in February. ADB has not approved any new projects in Nepal. ADB's concern is improving the living standards of the poor in Nepal.

- **Tsunami Rehabilitation Work**

*European NGOs support the rehabilitation work in tsunami-affected countries in Asia. The rehabilitation efforts should have strong NGO involvement.*

President Kuroda responded that ADB assistance to tsunami rehabilitation and reconstruction has reached \$600 million, with most of the funds allocated to Sri Lanka, India, Maldives, and Indonesia. ADB intends to disburse quickly, mostly on infrastructure projects like roads, water, school, and housing. ADB intends to involve as many stakeholders as possible, including NGOs. President Kuroda added that ADB has a European office in Frankfurt through which ADB and NGO efforts can be coordinated.

- ADB funding to coal plants like the **Mae Moh Project contributes to climate change**

*Climate change threatens the planet as well as the development goals of the ADB.*

Mr. Kuroda noted that climate change is a huge issue which was raised by government ministers here in Istanbul. The Kyoto Protocol is a big call for action, but further efforts are needed. Environmental protection should be further emphasized in ADB's safeguard policies.

- The new **Public Communications Policy (PCP)**

*It is important that information provided by ADB targets project affected persons.*

The ADB President emphasized that the new PCP is a big step forward. He is confident that increasing transparency will improve ADB operations. Vice President van der Linden pointed out that the PCP has two broad components: 1) external relations, and 2) disclosure. The first involves making the institution known to all stakeholders, while the second component involves posting relevant information on the Bank's web site. The second part is a proactive approach that allows those who are affected by ADB-supported projects to get the information that they need.

Mr. Kuroda expressed appreciation for the participation of NGOs at ADB's Annual Meeting and encouraged continuous and enhanced interaction between civil society and the ADB.