



December 21, 2018

MR. PHILIP ROSE

CHAIR

Board Compliance Review Committee (BCRC)

CC: Asian Development Bank President Takehiko Nakao
Asian Development Bank Executive Directors
Asian Development Bank Independent Evaluation Department Director General

Asian Development Bank HQ
6 ADB Avenue, Mandaluyong City 1550, Metro Manila,

RE: Hiring process for Compliance Review Panel Chair

Dear Mr. Philip Rose:

We are writing this joint letter as NGO Forum on ADB with other concerned civil society groups around the world that share a common concern over accountability in international development finance, especially at the Asian Development Bank (ADB). In our decades of experience on the issue of the hiring the Compliance Review Panel (CRP) Chair, the role of civil society was solicited by ADB for nominations. We are writing to urge the Board Compliance Review Committee (BRCR) to involve external stakeholders, especially civil society in its hiring process for CRP members, as it has done so for many years. In the spirit of inclusivity, transparency and accountability we hope you will take into consideration this urgent appeal.

As a network of regional and international civil society groups closely following ADB projects and working with communities on the ground, we consider ourselves as legitimate and regular users of the ADB CRP mechanism. Throughout various complaints filed at the CRP over the years, we realized that an independent CRP is the most critical structure in ADB, designed to ensure accountability and remedy for communities who are harmed or will be potentially harmed by ADB-financed activities. To properly perform its work and be recognized as legitimate, it is vital that the CRP be independent. This in turn requires Panel members be independent, which is enhanced not only by maintaining pre-employment cooling off periods and post-employment bars, a practice already in place at the ADB, but also by including independent external stakeholders, especially civil society, in the selection process. Furthermore, this would help ensure that CRP members are free from undue influence, including from management, governments and clients. We are aware that in the coming months, ADB will begin the process of selecting a new Chair of the CRP, as Mr. Dingding Tang's term is ending in June 2019. We strongly recommend that the selection process for his successor include formal consultations with external stakeholders.

As noted in *Glass Half Full? The State of Accountability in Development Finance*, consulting with external stakeholders in the hiring of members of independent accountability mechanisms (IAMs) is good practice and helps ensure legitimacy.¹ Several IAMs do so. For example, the independent Examiners for the Guidelines of the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC) are chosen through a process that includes a selection committee that has members from academia and NGOs, among others.² In a similar process, the procedure for the selection of the Vice President and Compliance Advisor Ombudsman (CAO) of the International Finance Corporation (IFC) includes a nominating committee composed exclusively of external stakeholders, including representatives from civil society organizations, academia, and the private sector.³ Additionally, the European Bank for Reconstruction and Development (EBRD) creates a nomination committee composed of members internal and external to the EBRD to select the Project Complaint Mechanism (PCM) Officer and Experts.⁴ Further, the Director of the Independent Consultation and Investigation Mechanism (MICI) of the Inter-American Development Bank (IDB) includes external stakeholders on the selection committee for the Consultation and Compliance Review Coordinators. Although ADB has asked civil society for nominations for CRP members in the past, we are perplexed as to why ADB is opting not to follow the selection process of other institutions given its global reach and scope.

We request that external stakeholders especially civil society be included in the decision-making process the BCRC conducts for the next CRP Chair. This is critical for ensuring the CRP's legitimacy and independence. As this process is in the early stages, we look forward to hearing your response about the hiring process for the next CRP Chair and hope to further engage with you and the board on this process.

Sincerely,



Rayyan Hassan
Executive Director
NGO Forum on ADB

Signatories:

[Accountability Counsel](#), USA
[Bank Information Center USA](#)
[SOMO](#), Netherlands
[Urgewald](#), Germany

¹ See C. Daniel, K. Genovese, M. van Huijstee & S. Singh, *Glass Half Full? The State of Accountability in Development Finance*, secs. 3.1, 5.1 (SOMO, Jan. 2016), available at glass-half-full.org.

² Japan Int'l Cooperation Agency (JICA), *Objection Procedures*, para. 4 (2010), http://www.jica.go.jp/english/our_work/social_environmental/guideline/pdf/objection100326.pdf; Japan Bank for Int'l Cooperation, *Major Rules for Establishment of Examiner for Environmental Guidelines* (2010), <http://www.jbic.go.jp/wp-content/uploads/page/2013/08/757/en-examiner-2012.pdf>; see also *Glass Half Full?*, supra note 2, at Annex 13.

³ See *Glass Half Full?*, supra note 2, at Annex 12.

⁴ EBRD, *Project Complaint Mechanism Rules of Procedure*, para. 57 (2014); see also *Glass Half Full?*, supra note 2, at Annex 8.