## July 16, 2025

Mr. Masato Kanda, President, Asian Development Bank

CC: Mr. Donald Bobiash, Chair, Board Compliance Review Committee Members, Working Group on the Accountability Mechanism Policy Review AMP Review Secretariat

Dear Mr. Kanda,

## Subject: Concerns in the constitution of the drafting committee for the draft revised Accountability Mechanism Policy

We are civil society organizations (CSOs) participating in the review of the 2012 Accountability Mechanism (AM) Policy. We have submitted written recommendations, participated in in-person and virtual sessions, and shared expert advice on the process through which the AM Policy is being reviewed. We have made every effort to engage in good faith with the process under the belief that the Asian Development Bank (ADB) is sincerely committed to ensuring that its AM is no longer outdated and out of step with international good practice. However, the legitimacy of the process and its outcomes are being put at risk by the potential exclusion of the heads of AM, i.e., Chair, Compliance Review Panel (CRP) and Special Project Facilitator from the Policy revision drafting process. We request your urgent intervention in the matter to ensure that the heads of the AM are included in the drafting committee.

The AM is the *only* independent channel for ADB to hear grievances from those affected by ADB's investments and for ADB's Board of Directors to exercise oversight over Management actions and ensure that ADB is in compliance with its recently expanded policy commitments. To that end, the AM has to be an independent body that is separate from Management and governed by the Board. To remain credible, the same principle of independence must apply to the AM Policy review process. We have in the past shared our appreciation with the Board-led process at ADB, particularly with Board members attending consultations and directly hearing from the affected-communities and CSOs. However if the committee charged with drafting this Board policy includes Management and Office of General Counsel (OGC) but excludes the heads of AM, that would seriously undermine both the credibility and the effectiveness of the mechanism going forward. Moreover, we could not trust an unbalanced committee to fairly consider important recommendations concerning the AM, including important questions around "prior good faith engagement" with Management and conflicts of interest from OGC. We believe this affects the legitimacy of the review and its outcomes, and almost certainly guarantees that the revised AM Policy will neither meet international good practice nor avoid regression.

Excluding the heads of the AM from the drafting process, would also be completely out of step with the way other MDBs review their Independent Accountability Mechanism (IAM) policies, despite ADB's stated commitment to harmonization with other Multilateral Development Banks

on accountability issues. For example, the International Financial Corporation's (IFC) 2021 Compliance Advisor Ombudsman (CAO) Policy is considered to be one of the best IAM policies to date, and it was the result of intense negotiation between CAO and IFC Management, following a public consultation. While both sides made compromises, the fact that both bought into the final result was crucial to the policy's legitimacy and implementation. At other IAMs currently undergoing review (including Asian Infrastructure Investment Bank's Project-affected People's Mechanism, European Bank for Reconstruction and Development's Independent Project Accountability Mechanism), the heads of the IAM are either leading or involved in the drafting process. Similarly, the drafting of the last revision of the World Bank Inspection Panel's procedures was led by the Panel and involved a working group of other institutional stakeholders. The Panel and the Dispute Resolution Service are currently working with the Board and Management to address the recommendations from the 2024 External Review Team report and will lead on the drafting of any procedural changes.

If ADB were to exclude heads of the AM from the policy drafting process, it would send a clear signal that ADB does not trust its own top experts on environmental and social compliance and dispute resolution to help shape the very mechanism that they lead. This would also undermine trust in ADBs commitment to accountability in the view of its stakeholders – particularly project-affected communities and the CSOs— and it would place ADB at the bottom of the accountability list compared to peer institutions. We trust that it is not too late to avoid this fate, and that the institution will act to preserve the credibility of the AM Policy review process by including the mechanism heads on the drafting committee.

Sincerely,

Accountability Counsel

Alternative Law Collective (ALC), Pakistan

Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE)

Bank Information Center, USA

Buliisa Initiative for Rural Development Organisation (BIRUDO)

Community Empowerment and Social Justice Network (CEMSOJ)

CEE Bankwatch Network

Equitable Cambodia

GongGam Human Rights Law Foundation, South Korea

Inclusive Development International

International Accountability Project

Jamaa Resource Initiatives, Kenya

Japan Center for a Sustainable Environment and Society (JACSES)

Legal Rights and Natural Resources Center

Lumière Synergie pour le Développement (Senegal)

Mekong Watch

NGO Forum on ADB

Oyu Tolgoi Watch

Peace Point Development Foundation-PPDF

Reality of Aid - Asia Pacific Recourse Rivers without Boundaries Mongolia Urgewald, Germany