



# The Samut Prakarn Wastewater Management Project

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## The ADB's Inspection Policy and Process

The Samut Prakarn Wastewater Management Project (SPWMP) is located in Klong Dan subdistrict, Samut Prakarn province about 80 kilometres from Bangkok. As of June 2000, the total Project cost is estimated at about US\$755 million equivalent, or 29,445 million baht. The Asian Development Bank (ADB) is financing US\$230 million, the Japan Bank for International Cooperation (JBIC) is financing a fixed amount of 1,750 million baht through its sector loan to support the Thailand Environment Fund, and the Government of Thailand is financing the rest. The Pollution Control Department (PCD) under the Ministry of Science, Technology and Environment is the executing agency for the project.

On 10 July 2001, in response to a request by local communities in Klong Dan and Song Klong subdistricts, the ADB's Inspection Committee authorised the setting up of an Inspection Panel (IP) to investigate the possible violations of ADB policies in the SPWMP.

This briefing paper summarises the main issues relating to the ADB's Inspection Policy and inspection process.

## THE INSPECTION POLICY OF THE ADB

The ADB provides a formal channel through which local groups in the Bank's borrowing member countries can raise concerns about ADB's involvement in certain development projects. The policy is designed to complement other efforts to improve the quality and transparency of the Bank's operations, as well as its accountability. The policy was approved by ADB's Board of Directors in December 1995 and became effective in October 1996.

Any community, organization, or other group affected by ADB's public sector project, can request an inspection if they believe that the formulation or implementation of the project was inconsistent with ADB policies, and could pose significant social, environmental and economic impacts the group or community.

Under the Inspection Policy, the community, organisation, or group making a request for inspection must present *reasonable evidence* that its rights or interests have been or are likely to be directly, materially, and adversely affected as a result of ADB's failure to follow its operational policies and procedures in connection with the project concerned.

## STRUCTURE OF THE PROCESS

The inspection process includes the following steps:

An applicant must first raise its grievance with the ADB's management. If the applicant is not satisfied with management's response, it can submit a request for inspection to a six-member committee of the Board of Directors (the Inspection Committee), which will decide whether to recommend an inspection to the Board of Directors.

The Inspection Committee is responsible for reviewing requests for inspection and recommends to the Board of Directors whether an inspection is reasonable.

If the Board authorizes an inspection, the Committee will select a Panel composed of at least three individuals who are independent experts from an approved roster to conduct the inspection, and to report its findings to the Committee. Based on the panel's report and Management's response to that report, the Committee will make recommendations to the Board.

The Inspection Panel's report will

- Identify all relevant facts.
- Determine whether the Bank has complied with its operational policies and procedures.
- Recommend, if appropriate, any remedial changes in the scope or implementation of the inspected project.

The Inspection Committee will forward the Panel's report and Management's response to the Board of Directors, together with its recommendation. The Board will consider the report of the Panel and the Management's response and make an appropriate decision. (See ADB's inspection function policy and procedures at [www.adb.org](http://www.adb.org))