



AFRICAN DEVELOPMENT BANK (AfDB)

BACKGROUND

The AfDB is a multilateral development bank whose shareholders include 55 African Regional Member Countries and 24 non-African countries. The Bank's mission is to promote economic and social development through loans, equity investments, and technical assistance to its Regional Member Countries.

ORGANISATIONAL STRUCTURE

The governing body of the AfDB is the Board of Governors, which is composed of high level officials appointed by member countries. It meets annually to deliberate on policy issues and elect the members of the Board of Directors. The Board of Directors includes the elected Directors plus the President and Vice President who are responsible for the general operations of the Bank. There are 18 Directors, 12 elected by the Governors of Regional Member Countries and 6 by the Governors of Non-Regional Member Countries, all for three year terms renewable once.

ACCOUNTABILITY SUMMARY

TRANSPARENCY

The AfDB has an information disclosure policy called the *Policy on Disclosure of Information*. However, the *Policy* does not conform to good key practice principles such as responding to all information requests and providing justification for all denials, providing a narrow set of conditions for non-disclosure, and offering an appeals process for information requests that have been denied

The Director of Human Resources has overall responsibility for overseeing compliance with the *Policy on Disclosure of Information*. No formal training is provided to those responsible for its implementation. However, the policy is widely distributed throughout the organisation in English and French, and the AfDB provides extensive contact information for both its headquarters and its 23 African field offices.

PARTICIPATION – EXTERNAL STAKEHOLDER ENGAGEMENT

The AfDB has three key policies that guide its engagement with external stakeholders: *Cooperation with Civil Society Organizations: Policy and Guidelines*, the *Handbook on Stakeholder Consultation and Participation in ADB Operations*, and the *Involuntary Resettlement Policy*. These documents describe a strong commitment by the Bank to high levels of stakeholder participation at every stage of project design and implementation. However, they make no commitment to changing policy or practice as a result of stakeholder input.

The NGO/CSO Coordinator in the Department of Governance oversees engagement with external stakeholders while the Department of Policy Review and Compliance undertakes monitoring of compliance with the *Cooperation with Civil Society Organizations Policy*. The Department of Policy Review and Compliance has delivered training to a variety of staff and external stakeholders on both AfDB policies and external stakeholder engagement techniques.

PARTICIPATION – MEMBER CONTROL

In line with good practice principles, all member countries are given representation on the Board of Governors. They are able to nominate candidates for all executive board seats, and no single member can block changes to the governing articles. However, there is no process through which members can initiate a process of dismissal of Directors, nor are members of the Board of Directors elected through majority voting. In addition, each member of the Board of Governors has an equal basic vote plus additional votes proportionate to its paid-in shares. As a result, members do not have equal power as their total number of votes is determined by how much they pay into the Bank. This voting structure is reflected at the Board of Directors level as well. Regional Member Countries do, however, control approximately 60% of voting powers and just over 60% of seats on the Board of Directors, unlike most other Multilateral Development Banks in which developing countries tend to control a minority of voting rights.

Headquarters: Tunis, Tunisia (temp)

Countries of operation: 55 in Africa

Total income: US\$ 936 million (2007)

Employees: 1,142 (as of 12/07)

Website: www.afdb.org

Accountability Initiatives signed up to:

- Extractive Industries Transparency Initiative

2008 GLOBAL ACCOUNTABILITY REPORT RATINGS			
Dimension	Score	IGO Rank	2008 Rank
Transparency	43%	5	15
Participation: External Stakeholder Engagement	46%	7=	20=
Participation: Member Control	50%	9	29
Evaluation	78%	5	11=
Complaints & Response: Internal	93%	1=	1=
Complaints & Response: External	60%	1=	2=
Overall	61%	6	14

= denotes tied ranking

EVALUATION

The *Independent Evaluation Policy and Functional Responsibilities of the Operations Evaluation Department* document guides evaluation practice at the AfDB. In line with good practice principles, evaluations are disseminated widely and there is a clear commitment to being open and transparent about evaluation results, and to the implementation of this learning. However, the policy does not commit to engaging external stakeholders in evaluations of activities that impact them.

The Operations Evaluation Department ensures that evaluation reports and summaries are disclosed to the public and widely disseminated, and the Board Committee on Operations and Development Effectiveness (CODE) is responsible for ensuring that the lessons learnt from evaluation activities are reflected in the Bank's policies and procedures as well as in its projects and programs. The *Independent Evaluation Policy* is produced in English and French, and is available via the AfDB website.

COMPLAINTS AND RESPONSE - INTERNAL AND EXTERNAL COMPLAINTS

The *Whistleblowing and Complaints Handling Policy* guides the AfDB's handling of internal complaints from staff. The *Policy* applies to unlawful acts, gross waste, fraud, corruption, misconduct, coercive practices, and collusive practices. The *Policy* meets most good practice principles including provisions for complainant confidentiality, non-retaliation and independence of the investigative process. However, while the AfDB specifies the circumstance in which it may break its commitment to the confidentiality of the whistleblower, it only commits to inform, not seek explicit permission, for doing so.

The Auditor General is directly responsible for the *Whistleblowing Policy* and training is provided to staff of the Integrity and Anti-Corruption Division that investigates allegations of staff misconduct and fraud and corruption in Bank Group activities. The policy is widely disseminated to staff and the Bank provides a number of entry points to the complaints system. However, the AfDB does not ensure that the process is overseen by an independent body as the Integrity and Anti-Corruption Division reports to the President and not the Board of Directors.

The *Independent Review Mechanism (IRM) Policy* and the *Compliance Review and Mediation Unit (CRMU) of the Independent Review Mechanism* guide the AfDB's handling of complaints from those adversely affected by AfDB funded projects. Although the *IRM* provides a clear description of the complaints procedure and commits to protecting complainant confidentiality, unlike the *Whistleblowing Policy*, it does not include a clause for non-retaliation against external complainants and has no appeals mechanism.

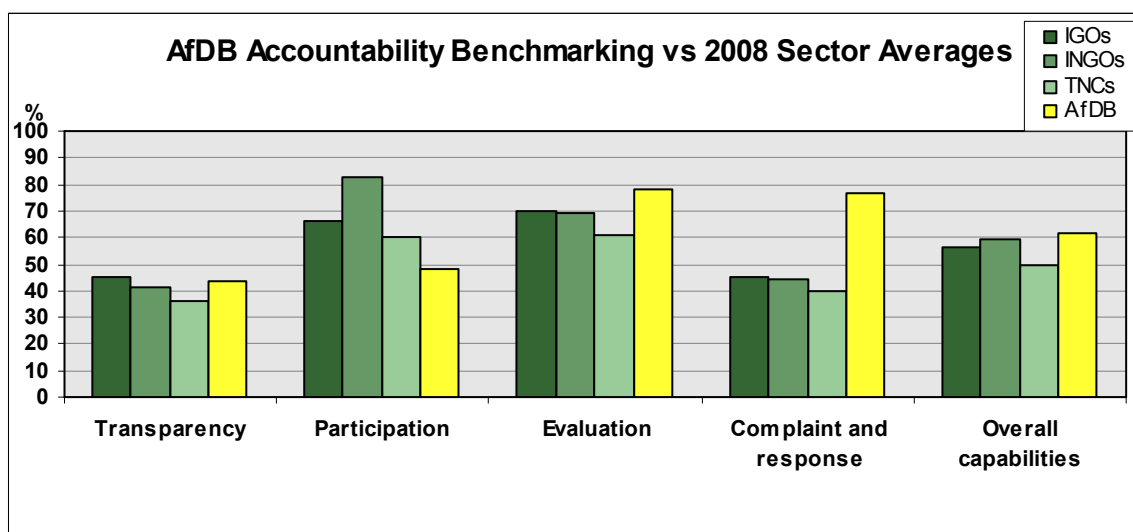
The Board of Directors oversees the *IRM* and the *IRM* Director reports to the Board directly. The *IRM* Director is also responsible for the day-to-day implementation and procedural compliance. All CRMU staff are trained on *IRM* procedures and training is being extended to other AfDB staff. The *IRM Policy* is widely disseminated through the website and leaflets in five languages, and training workshops for both internal and external stakeholders are provided.

ONGOING ACCOUNTABILITY REFORMS

The *Cooperation with Civil Society Organizations: Policy and Guidelines* is currently being rewritten and the *Independent Review Mechanism Policy* is also under review.

PERFORMANCE SNAPSHOT

The AfDB's transparency capabilities are similar to overall weak sector average performance in transparency. The AfDB's participation capabilities score is notably lower than the IGO sector average due, like most Multilateral Development Banks, to its inequitable member control, but is also contributed to by the AfDB's weak external shareholder engagement policies at the institutional level. The AfDB outperforms all but one organisation in its complaints and response handling capabilities, due its top scoring whistleblowing policy and the high quality external complaints policy. The AfDB's relatively high score in evaluation is reduced by the lack of commitment to external stakeholder participation in evaluation. Therefore, due to its weaknesses in transparency and participation, the AfDB scores in the top third of organisations and the midst of all IGOs.



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