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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

April 11, 2007

Haruhiko Kuroda, President
Asian Development Bank
P.O. Box 789
0980 Manila
PHILIPPINES

Dear President Kuroda:

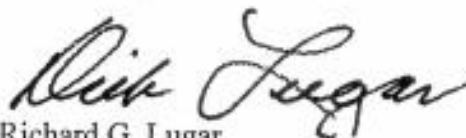
I appreciate your efforts to pursue good governance through the Asian Development Bank. The effort to fight corruption will help ensure that development bank funds reach the projects and programs designed to alleviate poverty.

As you know, the Senate Foreign Relations Committee held six oversight hearings focused on the multilateral development banks. I introduced legislation which became law in late 2005 to promote anti-corruption reforms and transparency at the development banks.

I would be grateful if you could please provide me with a written description of anti-corruption reforms and transparency measures that the Asian Development Bank has implemented since November 2005. This information will be shared with my Senate colleagues.

I appreciate your perseverance in promoting good governance. Should your staff have any questions about my request, please direct them to Nilmini Rubin or Jay Branegan at (202) 224-6797.

Sincerely,



Richard G. Lugar
United States Senator

RGL/nrk

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OAG/A.137-495 -P
17 April 2007

Senator Richard G. Lugar
Committee on Foreign Relations
United States Senate
Washington, DC 20510-6225
USA

Dear Senator Lugar:

President Haruhiko Kuroda has asked me to reply to your 11 April 2007 inquiry regarding the anti-corruption reforms and transparency measures that the Asian Development Bank (ADB) has implemented since November 2005.

Since then, ADB has

- continued to publish the Integrity Division's annual report (see <http://adb.org/Integrity/annual-reports.asp>);
- participated in an International Financial Institutions Anti-Corruption Task Force (February – September 2006), and adopted the recommended Uniform Framework for Preventing and Combating Fraud and Corruption (see <http://adb.org/media/Articles/2006/10629-regional-anticorruption/>);
- adopted under our anticorruption policy the harmonized definitions of fraudulent and corrupt practices that the Task Force recommended;
- adopted harmonized investigative principles and guidelines that the Task Force also recommended and incorporated them into updated ADB Integrity Principles and Guidelines (see <http://adb.org/Documents/Guidelines/Integrity-Guidelines-Procedures>);
- amended ADB's Public Communications Policy to allow the Integrity Division discretion to publicly disclose project procurement-related audit reports;
- adopted a 2006-2008 Medium-Term Strategy that includes a strategy of improving governance and preventing corruption; and
- adopted a Governance and Anticorruption Action Plan to improve ADB's performance in the implementation of the governance and anticorruption policies in the sectors and subsectors where ADB is active.

We will continue to build upon these actions to support good governance and the fight against corruption. Ensuring our funds reach the projects and programs we finance to alleviate poverty remains crucial to ADB. We have maintained and strengthened our interest in these issues since adopting institutional governance and anticorruption policies in 1995 and 1998, respectively.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. E. Pedersen', written over a horizontal line.

Peter Egens Pedersen
Auditor General

cc: Office of the President
Director General, Regional and Sustainable Development Department
General Counsel