

Overview of ADB's Safeguard Policies

Topics

- Key features of safeguard policies
- Integration of safeguards in each stage of the project cycle
- Roles and responsibilities of Borrower and ADB
- Future Directions

What are Safeguards and Why are They Important?

- Prevent and mitigate harm to people and the environment
- Improve environmental & social sustainability of projects → enhancing development outcomes
- Address reputational risk to ADB

ADB Safeguard Policies

- Environment Policy (2002)
- Indigenous Peoples Policy (1998)
- Involuntary Resettlement Policy (1995)

Environment Policy

- Potential environmental impacts are identified including indirect and cumulative impacts, and their significance assessed
- Alternatives are examined
- Least-cost mitigation measures are designed to avoid or minimize negative impacts and achieve environmental standards
- Environmental management plans prepared (with institutional arrangements, monitoring program & budget)

Involuntary Resettlement Policy

- IR involves acquisition of land or fixed assets, change in land use, restriction on access to land
- IR to be avoided, where feasible, and minimized
- If IR unavoidable, compensate affected people at replacement cost of assets or through livelihood restoration
- IR measures to be designed with time-bound actions, adequate budget, institutional arrangement & monitoring program

Indigenous Peoples Policy

- IPs include groups with social or cultural identities distinct from the dominant or mainstream society
- Interventions should achieve reduction of poverty among affected IPs and extend benefits to them
- Interventions should be consistent with needs and aspirations and avoid negative effects on IP
- Minimize, and mitigate negative impacts, if unavoidable
- IP development plan to be prepared if IPs are affected significantly or adversely

Common Features

- Involve a structured process of assessment, planning and management to address the impacts of projects and programs
- Start as soon as potential projects for ADB financing are identified and continues throughout the project cycle
- Applies to all projects, including private sector operations and to all project components whether financed by ADB, Government or co-financiers
- Affected people to be consulted
- Disclosure to the public

Project Classification

- All projects are to be classified (ongoing)
- Category (A, B, C, FI (env)) based on most sensitive component
- Significance of Impacts
 - **Env**: Depends on type, sensitivity, scale and location of the project, the nature and magnitude of potential environmental impacts
 - **IR**: Depends on number of people physically displaced and/or income and productive assets lost
 - **IP**: Depends on nature of impacts

Safeguard Documentation

- Depends on Significance
- Environment – EIA or IEE + EMP
- IR - RAP, SRAP, and/or RF
- IP – IPDP, IPDF, or Specific Action

How are Safeguards Integrated into ADB's Business Process?

Safeguards in ADB's Business Process

Business	Key Stage	Safeguard Actions
Process Country Strategy and Program	CSP	Highlight strategic safeguard considerations
PPTA/Loan Processing	Project Identification	Screen project for safeguard risks, classify projects
	Pre Design	Conduct the scoping and consultation process
	Project Design	Assess and prepare safeguard measures to ensure compliance

Safeguards in ADB's Business Process

Business Process	Key Stage	Safeguard Actions
PPTA/Loan Processing	Loan Processing	<p>Review project compliance and issue Safeguard Policy Compliance (SPC) memo for Management Review Meeting</p> <p>Finalize safeguard measures in RRP, include relevant covenants in loan agreements, and ensure reporting/disclosure requirement is met</p>
	Loan Negotiations and Approval	
Loan Implementation and Supervision	Loan Inception	<p>Conduct safeguard compliance review and monitoring including screening and review of subprojects, if applicable . Address major changes in scope, if any.</p>
	Mid-term Loan Review	

Safeguards in ADB's Business Process

Business Process	Key Stage	Safeguard Actions
Project Completion and Evaluation	<p data-bbox="573 423 919 578">Project Completion Report</p> <p data-bbox="573 630 919 841">Post Evaluation Report</p>	<p data-bbox="1003 423 1858 558">Evaluate implementation of safeguard measures, compliance with loan covenants, and performance of Executing Agency.</p> <p data-bbox="1003 721 1818 756">Analyze effectiveness of safeguard measures</p>

Role and Responsibility of ADB and the Borrower in Implementing Safeguards

Borrower and ADB: Who Does What?

Borrower

- Responsible for implementation of safeguard policies

ADB

- advises borrower on safeguard requirements
- Assists borrowers in meeting requirements
- Monitors implementation of agreed safeguards

Within ADB: Who Does What?

Operations Departments (OD)

Assists Borrowers to:

- integrate safeguards into project design
- implement safeguards
- review and monitor safeguards

RSES & CCO

- sets safeguard requirements and ensures consistent application in ODs
- advises ODs to ensure safeguard compliance
- performs oversight function on safeguard compliance
- advises Management on project compliance

Future Directions

- Safeguard Policy Update
 - Improve clarity, coherence, integration
 - Shift effort from procedure to results
 - Enhance flexibility
 - Optimize internal resources and processes

SPU Timeline

2005	SPU announcement – <i>July</i> Web posting of SPU Discussion Note (DN) – <i>October</i> Comment period on the DN – <i>November until March 2006</i>
2006	Web posting of comments on the DN - <i>May</i> Web posting of draft policy paper - <i>November</i> Structured consultations – <i>December until March 2007</i>
2007	ADB Board's review of draft policy paper – <i>April/May</i> Web posting of revised draft policy paper – <i>September</i> Comment period on revised draft policy paper – <i>September-October</i> ADB Board's final review/approval of policy paper – <i>November</i>

SPU Structured Consultations

Date	Consultation	Location
7-8 Dec 2006	East Asia	Beijing, PRC
11-12 Jan 2007	Southeast Asia	Manila, PHI
25-26 Jan 2007	Central & West Asia	Bishkek, KGZ
8-9 Feb 2007	Civil Society/IP	Manila, PHI
22-23 Feb 2007	South Asia	New Delhi, IND
8-9 Mar 2007	Mekong	Hanoi, VIE
22-23 Mar 2007	Pacific	Sydney/Fiji