

# ADB Safeguard Policy Review Update – Phase 2 Regional Consultation Summary: Biodiversity and Sustainable Natural Resource Management Consultations

13-15 December 2021

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## I. BACKGROUND

1. The Asian Development Bank (ADB) is undertaking a comprehensive review and update of its 2009 Safeguard Policy Statement (SPS).<sup>1</sup> The update process has been initiated by ADB Management following a Corporate Evaluation of the SPS by ADB's Independent Evaluation Department (IED), completed in May 2020 (IED Report).<sup>2</sup> The update will build off the findings and recommendations of the IED report, which ADB Management endorsed. Overall, the policy update will seek to strengthen safeguard implementation effectiveness and efficiency, in ways that will enhance beneficial safeguards outcomes for the environment and affected people.

2. The revised safeguard policy is expected to be ready for ADB Board consideration in 2024, following a process of further reviews, policy development and meaningful stakeholder engagement. As part of this process, ADB is undertaking a series of brief analytical studies, which will benchmark ADB's current SPS against the policies of selected multilateral financial institutions (MFIs) and also consider implementation experience of the existing SPS as well as other MFI policies.<sup>3</sup> The studies will inform the development of the new safeguard policy and their findings are being provided for stakeholders as part of the consultation process.<sup>4</sup> Stakeholder engagement and consultation will have three main phases: Phase I - preliminary information and outreach on the overall approach for the policy update and stakeholder engagement plan (SEP); Phase II - consultation on the analytical studies; and Phase III - consultation on the draft policy paper. The objective of Phase II consultations, currently being conducted, is to obtain a better understanding of the views of stakeholders on safeguards implementation challenges and good practices, as well as recommended policy directions. This document provides a summary of the consultations on Biodiversity and Sustainable Natural Resource Management (SNRM) and should be read in conjunction with the accompanying analytical study summary report.<sup>5</sup>

## II. PROCEEDINGS

3. The online regional consultations for Biodiversity and Sustainable Natural Resource Management were conducted on 13-15 December 2021. Five sessions were organized in various time zones to allow participation of ADB's developing member countries (DMCs), other ADB regional and non-regional members, as well as civil society organizations (CSOs) and non-governmental stakeholders.<sup>6</sup> A total of 99 stakeholders participated in five sessions, where each session ran for more than two hours, providing ample time for discussion. The main language used in all sessions was English and simultaneous interpretations were provided.<sup>7</sup> Consultation materials were provided to the participants in advance, and these were translated into various languages.<sup>8</sup>

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<sup>1</sup> ADB. 2009. [Safeguards Policy Statement](#). Manila.

<sup>2</sup> Independent Evaluation Department. 2020. [Evaluation Document: Effectiveness of the 2009 Safeguard Policy Statement](#). Manila.

<sup>3</sup> The studies are intended to complement the evaluation completed by IED in May 2020 and will not duplicate IED's work on the overall effectiveness of the SPS.

<sup>4</sup> The update process is guided by a [Stakeholder Engagement Plan](#).

<sup>5</sup> ADB. 2021. [Pollution Prevention and Abatement Summary Report](#). Manila

<sup>6</sup> The five sessions were for: (i) DMCs in South, Central and West Asia; (ii) DMCs in East and Southeast Asia and the Pacific; (iii) CSOs in South, Central and West Asia; (iv) CSOs in East and Southeast Asia and the Pacific; and (v) CSOs in North America and Europe.

<sup>7</sup> Languages available for simultaneous interpretations were Hindi, Urdu, Russian, Bahasa Indonesia, Chinese, Khmer, Lao, and Vietnamese

<sup>8</sup> The analytical study and presentations are available in English, Hindi, Russian, Chinese, and Bahasa Indonesia.

4. The agenda for five sessions followed the same format, starting with a welcome message from Bruce Dunn, Director of the Safeguards Division (SDSS) of the Sustainable Development and Climate Change Department (SDCC), followed by a presentation from Duncan Lang, Senior Social Development Specialist, SDSS, on the study findings and key issues. A discussion, moderated by Francesco Ricciardi, Senior Environment Specialist, SDSS ensued where participants were provided space to ask questions and give their inputs for the policy update. The session ended with a brief event evaluation and a synthesis by Bruce Dunn. Azim Manji, Stakeholder Engagement Team Leader (Consultant), and Jelson Garcia, Senior Stakeholder Engagement Specialist (Consultant), served as overall moderators in the five sessions.

5. In his welcome message, Bruce Dunn provided background and objectives of the SPS and how it is related to ADB's other policies, strategies, and procedures. He discussed the key findings and recommendations from the evaluation of the SPS effectiveness conducted by the IED. He gave an overview of the ongoing SPS Review and Update process, timeline, and analytical studies to be prepared, and presented the approach for a strong, intuitive, and inclusive stakeholder consultation that will underpin the entire review process. He highlighted the importance of the biodiversity conservation and sustainable natural resources management for the Asia Pacific, given that the region has some of the world's richest concentration of biological diversity and is home to nearly half of the world's biodiversity hotspots. He cited a number of threats resulting in continuing habitat loss and reducing survival of some species. He also discussed ADB's efforts toward developing a nature-positive investment roadmap to guide its operations. With respect to the safeguard policy update, he emphasized the critical value of strengthening safeguards for biodiversity, including greater focus on avoiding impacts through mitigation and offset measures.

6. Duncan Lang, Senior Environment Specialist, presented the study objectives, approach and methodology of the analytical study, which benchmarks the current ADB safeguard policy with respect to the policies of other MFIs on the requirements for biodiversity conservation and natural resource management. He started by providing an overview of the SPS requirements on biodiversity and natural resource management and challenges in implementing these requirements. He then discussed the key findings from the benchmarking study on differences and gaps on scope and coverage among the MFIs and the MFI practices and then covered areas for further consideration and emerging issues.

7. Based on the preliminary findings, the following key areas were set out to consultees for consideration as part of the SPS update: (i) a separate standard that addresses biodiversity and SNRM; (ii) need for clear definitions of critical habitat and more explicit guidelines where critical habitat is triggered; (iii) exclusions to project funding in most sensitive sites for biodiversity; (iv) expansion of ecosystem services requirements; (v) improved biodiversity assessment requirements; (vi) improved invasive alien species management; and (vii) living natural resources consideration.

8. In conclusion, he shared the following key messages from the analytical study: (i) ADB SPS has been implemented for ten years and there are policy gaps in various areas, compared with other MFIs, and that significant changes are necessary; (ii) other MFIs are increasingly aligned and there are opportunities for convergence; (iii) ADB is considering developing a separate standard on biodiversity and SNRM, linked with the standards for integrated environmental and social assessment; and (iv) ADB would like to improve practices through stronger language and more guidance on challenging issues such as application to associated facilities, indirect and cumulative impacts, offsets, and undertake more quantitative impact assessment and monitoring.

### III. KEY TAKEAWAYS AND DISCUSSION

9. In the moderated discussion, participants were encouraged to share perspectives or recommendations for improving ADB safeguard policy and implementation. Guide questions were posed to prompt participants in formulating their views or questions: (i) Which aspects of peer MFIs' biodiversity and SNRM policies should ADB support/continue to support?; (ii) Which aspects of peer MFI biodiversity & SNRM policies do you think ADB should take a different approach on?; (iii) How could ADB better work with its clients (DMCs and private sector) and CSOs on biodiversity and SNRM, including through early intervention and during implementation?; (iv) Recognizing that offsets have improved on the status quo in much of Asia, but that few have yet achieved their required goals, how can they be improved?; and (v) What tools/approaches are available to consider supply chains? How practical is supply chain certification in an Asian context?

10. The discussion elicited important topics from participants like: (i) biodiversity offsetting and critical habitats; (ii) carbon offsets; (iii) definition of biodiversity; (iv) environmental impact assessment (EIA); (v) social dimensions of biodiversity protection; (vi) use of country systems; (vii) safeguards on dams and energy systems and linear infrastructure projects; (viii) ecosystem services; (ix) modified habitats; (x) supply chains; (xi) indigenous territories and ancestral domains; (xii) animal welfare and impacts across climate, biodiversity and human health; (xiii) exclusion sites or no-go zones; (xiv) nature-positive investment goals; (xv) policy standard on "no net loss to biodiversity;" (xvi) zoonotic diseases and ADB's One-Health approach; (xvii) compensation measures for persons affected by biodiversity loss; (xviii) invasive alien species; and (xix) ecological connectivity.

11. On biodiversity offsetting, participants cited that there is no evidence to prove that offsets are effective in protecting biodiversity and so should not be used as a policy mechanism to allow ADB to undertake projects in sensitive areas. They also asked if and how borrowing countries' legal provision for offsets are addressed in the safeguards policy. They suggested that offsets should not be permitted on critical habitats as these areas should be absolute "no-go" zones. On the triggers for critical habitat, an issue was raised on whether vulnerable species can be included and not just critically endangered and endangered species.

12. On EIA, participants shared country experiences where more comprehensive assessments could have been conducted. The need to enhance the capacity of governments in conducting impact assessments was also raised. In addition, ADB was asked whether it will consider biodiversity assessment and management further upstream using strategic environmental assessments (SEA) or country systems assessment.

13. On ecosystem services, there were suggestions to require resource valuation as part of assessments for proposed projects, as well as provision of clear guidelines in identifying project affected communities through consultation with both upstream and downstream affected communities. There are various tools and software for resource economic evaluation.

14. Concerns on exclusion sites or no-go zones were also discussed. There were suggestions to expand the list of no-go zones to include world heritage natural sites, high-risk and sensitive critical habitats like free-flowing rivers, habitats with endangered, vulnerable endemic species, indigenous peoples (IPs) reserves and coastal ecosystems, to name a few. Participants emphasized the importance of expanding the exclusions list given the crisis of biodiversity loss and the threat to remaining critical ecosystems worldwide. Moreover, ADB was encouraged to disclose non-sensitive species records collected during assessments through the global

biodiversity information facility or other relevant national and global repositories. This will support collection of robust baselines and strategic information at the regional landscape level.

15. Participants also asked whether ADB will consider switching its policy regarding critical habitat to “no loss,” instead of “no net loss,” similar to the direction taken by other MFIs. Moreover, ADB was encouraged to go beyond simply mitigating impacts. Instead, ADB should support proactive conservation if it is to deliver on its commitment to nature-positive investment goals. This can be done, for example, by adopting the Mitigation and Conservation Hierarchy framework. A further suggestion was to treat wildlife-human interface separately from animal welfare issues to make sure that the full aspect of landscape immunity is tackled in greater detail.

16. In response, ADB acknowledged the recommendations of stakeholders. ADB mentioned that there is a need to revisit the framework for exclusions and get clarity on particular no-go areas. In terms of strategic planning, it is critical to define the key areas of biodiversity that should be protected and how these can be integrated into strategic, social, and economic development plans, and in sector-wide plans of governments so that impact avoidance is the first option under consideration. ADB also informed participants that it is proposing to develop guidance to accompany the updated policy which will increase awareness about offset requirements and show that offsets are not only difficult to implement but also very costly. This will hopefully then support DMCs to further consider taking alternative options during project feasibility assessment so that avoidance can be fully explored as part of the mitigation hierarchy, with more viable projects being approved.

17. ADB recognized the need for better guidance and assessments as well as better coverage of ecosystem services in the new policy. ADB mentioned that the current policy has clear provisions around natural habitat and no-net loss requirements where there are impacts on critical habitat. However, ADB also hopes to cover in the policy update requirements at a species level where natural and critical habitat are not triggered. On impact assessments that are not done well, ADB recognized that this is a common concern among DMCs and that to address this, ADB is committed to providing technical assistance (TA) and capacity-building support.

18. On natural resource valuation, ADB acknowledged that it is something that needs to be improved in the future. ADB informed participants that it is currently using the integrated biodiversity assessment tool (iBAT) for rapidly assessing the potential risks and impacts of projects on biodiversity. On information disclosure and stakeholder engagement, ADB said that a wider approach to do a comprehensive identification of stakeholders potentially affected by projects is being considered. ADB mentioned that a dedicated consultation on this topic is planned for 2022.

#### **IV. EVALUATION AND WRAP UP**

19. The moderated discussions were followed by quick evaluation sessions. In all three sessions, majority of participants gave a rating of 4 (effective) or 5 (highly effective), in a scale of 1 to 5, and only very few rated ADB lower than 3. Written comments to improve the consultations are documented in Menti.com.

20. The synthesis for each consultation included a summary of key points and questions raised by participants. It was followed by an overview of the next steps and a reminder to send ADB further suggestions and recommendations in writing.

**Session recordings can be accessed here:**

1. 13 December 2021: Government stakeholders in East Asia, Pacific, and Southeast Asia  
<https://events.development.asia/node/53416>
2. 13 December 2021: Government stakeholders in South Asia and Central and West Asia  
<https://events.development.asia/node/53421>
3. 14 December 2021: Civil Society Organizations and other non-Governmental stakeholders in East Asia, Pacific and Southeast Asia  
<https://events.development.asia/node/53426>
4. 14 December 2021: Civil Society Organizations and other non-Governmental stakeholders in North America and Europe  
<https://events.development.asia/node/53431>
5. 15 December 2021: Civil Society Organizations and other non-Governmental stakeholders in South Asia and Central and West Asia  
<https://events.development.asia/node/53436>

## **FEEDBACK FROM STAKEHOLDERS**

Disclaimer: In view of transparency, the feedback was documented based on the manner of delivery or sharing of the stakeholders, though some feedback was edited for brevity and clarity. They are categorized by topic and reflect questions, comments, conclusions, and recommendations of stakeholders. All the feedback is discussed in the interactive session that is part of the consultations.

### **1. Environmental impact assessment**

- The ADB initiative to update its safeguard policies is very timely because biodiversity is currently being mainstreamed in almost all sectors of the economy. This is a good development because in the past, there is no intensive biodiversity assessment for proposed projects in the Philippines, hence the impact on ecosystems has not been properly assessed. The country has just recently legislated additional protected areas, increasing the total number to 444 from only 13 protected areas prior to 2018. The legislation also provides details on other effective area conservation measures which may not be legally protected, such as the Ips cultural conserved areas. Such areas may need intensified assessment and consideration because these are not yet provided by the law. The construction of an airport has triggered biodiversity offsets as part of the environmental compliance certificate, and the implementation of offsets is also a new ground for the country to cover.
- The 2009 Safeguard Policy Statement (SPS) has no standard or uniform procedures and mechanisms, especially on environmental assessments. Cumulative impacts of the projects also need to be considered. A project scenario situated in a hilly terrain was cited. The technical assistance (TA) project had issues of landslides cascading to the river below, lots of sensitive habitats were affected, there are no alternative routes for local settlements, and there are no management plans. There is an issue of categorization of the project, given the actual impacts on the environment that were not adequately captured by the rapid assessment.
- What are the opportunities for ADB to push biodiversity assessment and management upstream (e.g., within strategic environment assessments, or country systems assessment)?
- How does ADB consider alternatives in relation to policies on dams and energy systems? How are safeguards incorporated before the implementation of projects? Given that 85% of the decline in freshwater species in the last 30 years can be attributed to the building of dams, what are the safeguards for biodiversity and indigenous peoples (IP) livelihood that are being implemented? Is avoidance being considered before other options?
- The guidelines and requirements do not fulfill the actual requirements of the organizations from project-to-project. Some SPS requirements are not aligned with the requirements of the agencies. There is no standardization or uniformity of procedures and mechanisms, especially in environmental assessments. The ADB policy did not provide sufficient guidance and procedures for borrowers and clients on how to mitigate impacts of a project, especially in natural or more sensitive habitats.

- Some critical habitats overlap with indigenous territories and ancestral domains in the Philippines, so projects in these areas should undergo due process. This means that projects should also ensure that customary sustainable use practices and sustainable management systems of indigenous peoples are supported and should not be hindered. Some IPs whose territories overlap with critical or protected areas may have their own sustainable management plans, and any investment projects should also take these into consideration.

## 2. Critical habitats and other issues

- It is important to have a very specific and science-based definition of critical habitat. ADB should use the established international standards for biodiversity areas as these standards have very strong scientific basis and specific thresholds, and the sites were designed from the ground up. It would also be a step forward if the key biodiversity areas (KBAs) could be specifically mentioned as an absolute minimum particularly on what would count for critical habitats. Under the critical habitat requirement, it is also critical to look at the cumulative impact rather than just focus on the impacts within the project areas. The World Wide Fund for Nature (WWF) has existing KBA business guidelines and principles that could be useful references for ADB's current policy update.
- There are several variations of critical habitat designation in projects depending on the consultants hired to do the work. To ensure that uniform standards are applied across all projects, it is suggested that multilateral financial institutions (MFIs) may need to put more pressure on governments to designate critical habitat. The new global biodiversity framework should be able to guide countries towards a 30 by 30 protection standard. This could reduce the costs of implementing the environmental quality safeguards for the projects while also maintaining a set of uniform standards that can be applied to all. On the issue of offsets, these should not be permitted on critical habitats as these areas should be absolute "no-go" zones. It is very difficult to find information and data on the actual offsets done as part of the mitigation plans of investment projects. The new policy may be instrumental to help encourage governments to plan, establish, and monitor their own offsetting legal platforms.
- Two options were suggested on exclusions approach to safeguarding biodiversity. One is through scoping and categorization of projects, that is, excluding harmful projects that will potentially lead to significant negative social and environmental impacts. Another way is requiring the use of prior informed consent. Not suggesting a definite "no" to all financing, but just simply saying no to those types of financing that lead to harmful impacts. By getting prior informed consent, ADB can get a good sense of whether projects will have negative or positive impacts by talking to the people who would be most impacted by the projects. A challenge was posed not just for ADB but other MFIs to look at the rate of deforestation and habitat loss, because not much is left of these critical habitats.
- The Banks and Biodiversity Initiative proposes eight No-Go Areas which should be off limits from harmful, unsustainable direct and indirect financing. This No-Go policy is also endorsed by many civil society groups<sup>1</sup>. The tasks are indeed tough, but not entirely impossible to implement. The following resources were shared that may be useful for ADB: (i) Fool's Paradise: How Biodiversity offsets don't stop biodiversity loss,<sup>2</sup> and (ii)

<sup>1</sup> Banks and Biodiversity. [Banks and Biodiversity No Go Areas.](#)

<sup>2</sup> Friends of the Earth. 2021. [Fool's Paradise: How Biodiversity Offsets Don't Stop Biodiversity Loss.](#)



World heritage forever? How banks can protect the world's most iconic cultural and natural sites.<sup>3</sup>

- What is the rationale behind including only critically endangered and endangered species in critical habitat, and not vulnerable species? The draft European Investment Bank (EIB) policy already includes vulnerable species.
- Would ADB consider switching its policy to “no loss,” instead of “no net loss,” similar to the direction taken by other MFIs such as the Inter-American Development Bank (IDB) and EIB?

### 3. Biodiversity offsets

- There is a need to adopt a policy that would prohibit the use of biodiversity offsets. Based on available literature, including ADB's Independent Evaluation Department (IED) study, there is no existing evidence to prove that offsets are effective in protecting biodiversity, so the conceptual flaws that underlie the reason for using biodiversity offsets are likely doomed to fail.
- There was a particular ADB-financed geothermal project in Indonesia which was conditioned on the use of offsets. When the EIA for the geothermal plant was put together, it did not include a list of endangered species. Much of the habitat where the geothermal plant is located is critical, and the project construction led to deforestation and displacement of endemic species, such as Tapanuli orangutans that reside in the said critical habitat. It could be argued that because of the deforestation, the subsequent unrelated project (i.e., construction of a dam) which is located right in the last remaining habitat of the orangutans, further compounded the problem because it significantly decreased the primary habitat for that species. That example highlighted the critical argument that offsets may not be the best alternative to protecting biodiversity. What more evidence does ADB need to adopt a policy that would prohibit the use of offsets in its financing?
- The TA on the Nam Ngiep Hydropower Offset planning mentioned that there were at least nine (9) other projects with offsets. It also mentioned this study<sup>4</sup> (on Nam Ngiep) on offsets was one of a cluster. However, much of the study itself was redacted. Could ADB clarify what other studies were part of this cluster, whether they are disclosed, and whether they are being used to inform the analytical study on biodiversity?
- The summary of study findings notes several concerns about offsets as it relates to the ADB's current approach, and points to the more stringent standards of the IDB, which suggests that it rules out offsets in critical areas. The IDB is also labelled as an outlier in relation to their precautionary approach. Does ADB view IDB's approach as unrealistic if it does not rule out offsets? Or will ADB take the highest standard and align with IDB's precautionary approach?

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<sup>3</sup> Friends of the Earth. 2021. [World Heritage Forever? How Banks Can Protect the World's Most Iconic Cultural and Natural Sites \(2021\)](#).

<sup>4</sup> ADB. Lao People's Democratic Republic (PDR). [Regional : Facilitating Effective Biodiversity Offsets in Private Sector Operations - Nam Ngiep 1 Hydropower \(Subproject 1\)](#)

- With the recent adoption of the Energy Policy, doors were opened towards financing of cross-border pipelines, gas pipelines, and other types of large-scale projects like waste-to-energy. But in terms of dealing with the potential offsets in areas that would be affected (i.e., including marine and coastal areas), there is no real sense of how that would be addressed at this point, especially given that some of these zones would overlap with mangrove sites, sacred cultural zones, IPs and fisherfolk zones. ADB was asked if these issues will be addressed, particularly on the impacts to marine ecosystem.
- On the countries' legal provisions for offsets, how are these addressed in the revised policy?
- Does ADB have even one successful example of biodiversity offsetting (implemented before the degradation is on site)? And if not, is ADB considering restricting the use of offsets? All the examples known are negative and many IFIs are restricting the use of offsets (footnote 10).
- The restoration target under the Convention on Biological Diversity (CBD) framework may be the key to linking offset strategies with the restoration framework that a country would establish under the CBD. If ADB could help support those, then that also provides the need to identify gaps on the restoration measures and guide future offsetting activities for a particular country.
- Using biodiversity offsets especially if projects contribute to greenhouse gas emissions (GHG) and other toxic pollutants was not supported. Avoidance should be stronger in the age of phase-outs, bans and no-go zones at the global and national levels.
- Countries need national guidelines/ standards on offsets, with identified parameters and criteria for specific offset activities. For example, carbon offsets should be uniformly priced. A prescribed tool or methodology should be utilized to avoid leakages.
- Is ADB considering "no net loss of biodiversity" concept in its policy standards? How will ADB address the issues on biodiversity offsetting, considering how it will be integrated within country systems?

#### 4. Exclusion sites or no-go zones

- Will ADB consider expanding the list of no-go zones?
- Agree with the IED study saying that exclusion is the better approach to preemptively prevent biodiversity loss and promote sustainable development. Is ADB amenable to expanding its list of exclusionary activities based on where a project is located? This may include high-risk, sensitive critical habitats like free-flowing rivers, and habitats with endangered, vulnerable endemic species, etc. Given the crisis of biodiversity loss and the threat to the remaining critical ecosystems worldwide, expanding the use of exclusions is something that ADB could integrate more in the safeguard update process, as well as in the country partnership planning activities with governments.
- Does ADB's exclusion list include globally recognized world heritage sites and extinction areas? Is ADB keen on sharing non-sensitive data and information and making them more publicly available through the global diversity information facility or other relevant national

and global repositories? This will support having robust baselines and strategic information at the regional level.

- More broader areas as off-limits sites for development projects were suggested. These include the indigenous peoples reserves, free-flowing rivers, protected or at-risk coastal ecosystems, and the iconic ecosystems which are natural habitats with cultural value. These are laid out in the Banks and Biodiversity no-go policy (footnote 1).
- In the Philippines, some previously declared no-go zones have been accessed and used to implement mining activities. This practice may proliferate during the pandemic and that more of these no-go zones will open for more economic activities, which would in turn cause serious damage to the environment and natural resources.

## **5. Ecosystem services**

- Resource valuation should be required as part of the assessments for proposed projects.
- Ecosystem services mean protection and conservation of nature so that it will, in turn, provide humans with more benefits. There is a need to develop a software which would have numerical values to quantify the sensitivity of certain habitats. Output values could then provide information if a biodiversity action plan or a natural resource management plan is further required.
- ADB should consider how the policy update can align with the Taskforce on Nature-related Financial Disclosures, for ADB to disclose their investments in projects that are dependent on ecosystem services as well as the impacts on these services.
- What are the parameters that will be used for ecosystem services projects, and who will be considered as project-affected communities? Some EIA do not fully consult both upstream and downstream affected communities.
- ADB should carefully consider putting monetary value to ecosystem services. In theory, this should have already been included in the EIA and at the same time, the costs from the ecosystem side should have already been agreed with the project proponents. It is not against the cost inclusion of ecosystem services because it gives a clearer picture on the economic value of nature, but how it will be attributed and integrated into the policy needs to be broadly discussed through different levels of stakeholder engagement processes.

## **6. Compensation measures for persons affected by biodiversity loss**

- Does ADB provide compensatory measures to people whose livelihoods are affected by loss of biodiversity and damage to natural resources?
- On compensation measures, sometimes these measures only appear on paper, but project proponents do not implement them. Providing compensation immediately when there are already indications that the project will have biodiversity offsets and before actual impacts are observed on-site is important.

## 7. Integrating safeguards in linear infrastructure projects

- Most linear infrastructure projects that bring connectivity and development to countries do traverse sensitive natural resources and private lands. How is ADB implementing the safeguards (including avoidance) for these projects?
- How is ADB addressing safeguards issues at the broader level where big infrastructure projects are creating huge impacts on forests and natural resources?
- What policies will apply to a scenario wherein there is a planned construction of a road that passes through national parks?
- The continuing investments in industrial agriculture or factory farming are driving much of the biodiversity loss, deforestation, pollution, GHG emissions, antimicrobial resistance, and others. Poor animal welfare conditions are also observed. How can animal welfare and impacts across climate, biodiversity and human health be integrated into the revised SPS? Will ADB consider halting its support for factory farming or industrial agriculture in the future?
- ADB has done a huge amount of work on ecological connectivity on various projects, but it is still not yet explicit in the policy. It is going to be an important topic as natural habitats become more fragmented. In 2021, the first-ever United Nations (UN) General Assembly resolution on ecological connectivity was passed, and the other MFIs have already incorporated stronger elements on this. Similarly, the IDB framework for infrastructure has a specific criterion on project designs for maximum ecological connectivity. There must be clearer guidelines in the ADB policy to make sure that its operations are not impacting protected areas or habitats.

## 8. Use of country systems

- MFIs including ADB should encourage countries to develop their own national safeguard policies to facilitate ownership. The DMCs and ADB could then work together to complement each other's policies, particularly when they coordinate to implement investment projects.
- How will ADB address the issues on biodiversity offsetting, considering how it will be integrated within country systems?
- How can a new biodiversity and biosecurity strategy be developed as a national priority?

## 9. Zoonotic diseases and ADB's One-Health approach

- The global pandemic has impacted human lives over the past two years. How is ADB going to address the issue of zoonotic diseases in the light of ADB's own mission of developing and funding infrastructure projects in the region which inherently constitutes the disruption of habitats and involves large-scale deforestation?
- From the perspective of ADB projects, the ultimate goal should be ensuring that ADB projects do not cause degradation of landscape immunity, or the kind of conditions of a landscape that prevent or reduce the risk of zoonotic spill-over. Treat wildlife-human

interface separately from animal welfare issues to make sure that the full aspect of landscape immunity is tackled in greater detail.

## 10. Others

- What is biodiversity and why is it important?
- How can ADB strengthen the social dimensions of biodiversity protection, particularly those with high dependency on natural resources? ADB should consider a new objective that focuses on support for livelihoods and inclusive development of local communities through approaches that integrate conservation and development.
- A potential artificial ecosystem for birds that was done in one project was shared. ADB was asked if there are any post-intervention measures required to protect this newly created habitat and will the ADB SPS be covering this in the new policy.
- If ADB is to deliver on its commitment to nature-positive investment goals, then it has to go beyond purely mitigating impacts and instead support proactive conservation. This can be done, for example, by adopting the Mitigation and Conservation Hierarchy framework<sup>5</sup>.
- There was a suggestion to include bioengineering and plantation plan to be covered under the biodiversity safeguards.
- Will the ADB policy have some discussion around the topic of life cycle assessment that is related to the use of biomass energy or biomass incineration?

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<sup>5</sup> Conservation Hierarchy. [What is the mitigation and conservation hierarchy?](#)