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ADB Safeguards Policy Update:

In-Country Stakeholder Consultation with Civil Society Organizations

Indonesia, 01 December 2022



SAFEGUARD
POLICY REVIEW
AND UPDATE



Sustainable Development and Climate Change Department (SDCC)
Safeguards Division (SDSS)



Technical Announcements and Acknowledgement of Participants



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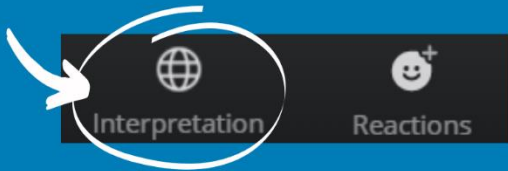




HOW TO LISTEN TO INTERPRETATIONS

1

Click on the Interpretation button at the bottom of your Zoom screen.

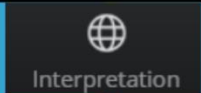


2

Select your preferred language among the list of available interpretations.



Click Mute Original Audio to mute the English audio.



3

CHANGING YOUR NAME ON ZOOM

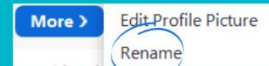
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Click on the Participants button at the bottom of your Zoom screen



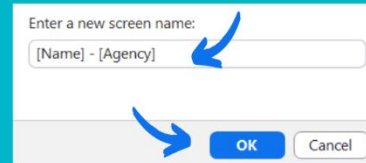
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On the right hand of your screen, look for your name. Click on the More button on the right side of your name.



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Click on the Rename button, type in your Name and Agency, then click OK.

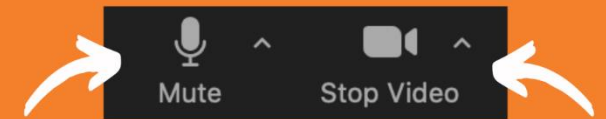
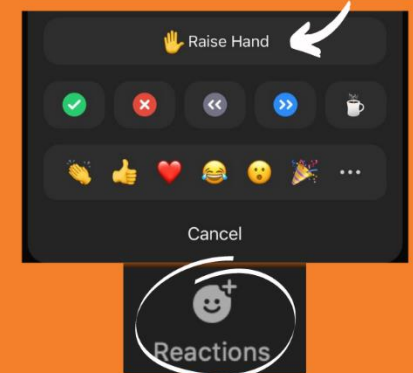


USING ZOOM BUTTONS



Send a message, question or feedback by clicking the chat button.

To comment or raise a question live in the language you prefer, click on the smile icon (Reactions button), and then click on Raise Hand.



To speak and unmute yourself, click on the microphone icon.

To show your video, click on the video icon.



Session Reminders



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- ✓ For online participants:
 - ✓ If possible, join from a quiet, distraction-free area
 - ✓ Put your microphone on mute when you are not speaking
- ✓ Raise your hand to raise a point or question
- ✓ Be respectful to everyone
- ✓ Be conscious of time as per the agreed agenda



Meeting Safety Protocol



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ADB

The Safeguard Policy Review and Update consultations provide opportunities for stakeholders to express their views and opinions on ADB's environmental and social safeguards in the most meaningful and safest manner possible. Our session today is for CSOs only and will not involve any government representative in person or online. ADB follows this protocol:

1. Participants are encouraged to articulate their inputs and concerns in our sessions. There will be no video recording, and cameras set up in the hall will be used for visibility in Zoom only.
2. All types of respectful feedback are welcome and there is a mechanism to provide feedback anonymously. These will not be used for the purposes of retaliation, abuse, or any other kind of discrimination. ADB has a “no tolerance” policy for retaliation in this consultation process.
3. A written summary of the meeting will be prepared and shared with participants after the event. ADB will not attribute specific comments to individuals. However, if you would like a specific comment or statement attributed to you, you may inform us.
4. If you have any issues or concerns on the confidentiality, potential risks, abuse, or any kind of discrimination during the consultations, please contact the Secretariat at safeguardsupdate@adb.org.

1. Provide a briefing on review and update of ADB's Safeguard Policy Statement, 2009 (SPS):
 - Objectives and approach for the policy update
 - Overview on findings from benchmarking and analytical studies;
 - Highlights of feedback received from regional consultations;
 - Policy directions and issues for the new environmental and social policy.
2. Seek feedback lessons from SPS policy implementation and recommendations on new policy directions.

- I. Technical Announcements and Acknowledgement of Participants** (10 mins)
- II. Welcome Remarks** (10 mins)
Jiro Tominaga, Country Director, Indonesia Resident Mission (RM)
- III. Session 1: Brief Overview and Background of the ADB Safeguard Policy Update** (20 mins)
Bruce Dunn, Director, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)
- IV. Session 2 (a): Policy Directions and Recommendations for Environmental Safeguards: Findings from Analytical Studies and Feedback from Phase 2 Regional Stakeholder Consultations** (20 mins)
Zehra Abbas, Principal Environment Specialist, SDSS, SDCC
- V. Questions, Answers and Discussion** (60 mins)
- VI. Tea/ Coffee Break** (10 mins)
- VII. Session 2 (b): Safeguard Policy Directions and Recommendations for Social Safeguards: Findings from Analytical Studies and Feedback from Phase 2 Regional Stakeholder Consultations** (20 mins)
Madhumita Gupta, Principal Social Development Specialist (Safeguards), SDSS, SDCC

VIII. Question, Answers and Discussion (60 mins)

IX. Lunch (60 mins)

X. Session 3: Stakeholder Engagement, Information Disclosure, and Grievance Redress Mechanism (20 mins) Zaruhi Hayrapetyan, Social Development Specialist (Safeguards), SDSS, SDCC

XI. Question, Answers and Discussion (60 mins)

XII. Session 4: Environmental Safeguards (30 mins)
Zehra Abbas, Principal Environment Specialist, SDSS, SDCC

XIII. Tea/ Coffee Break (10 mins)

XIV. Question, Answers and Discussion (75 mins)

XV. Synthesis of Day 1 (10 mins)
Bruce Dunn, Director, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)

XVI. Announcement and Preview of Day 2 (5 mins)

Sustainable Development and Climate Change Department (SDCC)
Safeguards Division (SDSS)



Welcome Remarks

Jiro Tominaga, Country Director, Indonesia Resident Mission (IRM)



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Safeguards Division (SDSS)



Session 1: Overview on Policy Update Process and Status

Bruce Dunn, Director, Safeguards Division (SDSS),
Sustainable Development and Climate Change Department (SDCC)



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POLICY REVIEW
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Objectives of Safeguard Policy Update

- **Modernize and enhance existing Safeguard Policy Statement (SPS)**, addressing key policy gaps and addressing emerging issues and risks, and vulnerabilities for affected people and the environment.
- **Adapt the policy for different financing approaches**, including sovereign and non-sovereign financing and different financing modalities
- **Improve efficiency of safeguard business processes**, seeking opportunities for streamlining and greater clarity on requirements for ADB and borrowers
- **Increase convergence and harmonization** with policies and system of other multilateral financial institutions and cofinanciers.
- **Improve implementation outcomes from safeguards**, with increased support for strengthening country systems and client capacities, and enhanced monitoring and oversight.

Safeguards Policy Review and Update

Approach and Methodology

Policy update time frame: August 2020 to October 2023

Implementation phases:

- 1. Policy update planning** (August 2020–June 2021):
 - [Background Information Paper](#) (November 2020).
 - [Stakeholder Engagement Plan](#) (April 2021, updated July 2021)
- 2. Analytical Studies** (December 2020–December 2022):
 - Policy architecture, benchmarking standards / thematic issues
 - Review implementation experience
- 3. Policy preparation** (April 2022–October 2023):
 - Working Paper for ADB Board consideration (March 2023)
 - Final ADB Board approval of R-Paper (October 2023)
- 4. Policy roll out** (2023–2024):
 - Policy effectiveness from 2024 (date to be confirmed)
 - Implementation guidance, staff instructions, good practice notes,
 - Training and capacity building for staff and clients



**Stakeholder
Engagement &
Consultation**



Analytical Studies and Regional Consultations Topics

Completed Consultations: Nov. 2021- June 2022

1. Policy Architecture
2. Indigenous Peoples
3. Resource Efficiency and Pollution Prevention
4. Labor and Working Conditions
5. Community and Occupational Health and Safety
6. Land Acquisition and Involuntary Resettlement
7. Biodiversity and Sustainable Natural Resource Management
8. Cultural Heritage
9. Stakeholder Engagement, Information Disclosure, and Grievance Redress Mechanisms
10. Lessons from Accountability Mechanism
11. Environmental and Social Impacts and Risk Assessment
12. Safeguards in Fragile and Conflict-Affected Situations (FCAS) & Small Island Developing States (SIDS)
13. Country Safeguard Systems (CSS)
14. Focus Group Discussions with Private Sector Clients
15. Climate Change
16. Gender and Safeguards
17. Sexual Exploitation, Abuse and Harassment (SEAH)
18. Sexual Orientation and Gender Identity and Expression, and Sex Characteristics (SOGIESC)



[Scan to view Analytical Studies](#)

Planned Consultations

1. [Safeguards in Different Financing Modalities and Private Sector](#)

Stakeholder Engagement Plan (SEP) and Schedule

OBJECTIVES



Promote diverse participation and an inclusive process



Build interest and ownership in safeguards and update process



Ensure active participation through open, safe & iterative process



Communicate process, content, and outcomes with clarity

PROCESS

PHASE 1
(June 2020–May 2021)

- ✓ Initial outreach
- ✓ Preparation of a Stakeholder Engagement Plan (SEP)
- ✓ Preliminary information sessions with DMCs and CSOs

PHASE 2
(Nov 2021–Dec 2022)

- ✓ Publish analytical studies
- ✓ Regional consultations (all DMCs & CSOs)
- ✓ Private sector client consultations
- ✓ DMC country consultations (10 DMCs)
- ✓ Project-affected people consultations (10 projects)

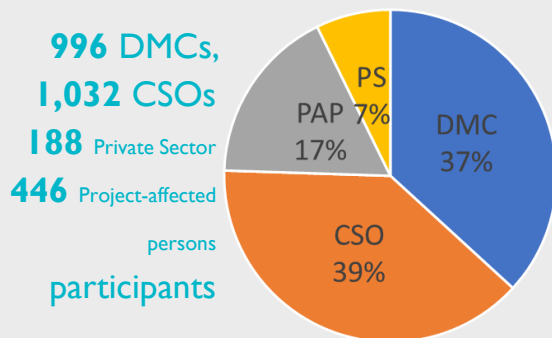
PHASE 3
(Dec 2022 – October 2023)

- ✓ Consultations on draft and final policy

STAKEHOLDER PARTICIPATION: DIVERSITY & INCLUSION

2,728

Stakeholders consulted in Regional, In-country, and Project-affected people consultations and private sector FGDs



51% MALE 49% FEMALE



IN-COUNTRY CONSULTATIONS

Completed (Aug - 1H Nov 2022)		Planned (2H Nov 2022-Jan 2023)	
1.	Tonga	1.	Indonesia
2.	Papua New Guinea	2.	Georgia
3.	Mongolia		
4.	People's Republic of China		
5.	Pakistan		
6.	Republic of Marshall Islands		
7.	Philippines		
8.	India		

PAP CONSULTATIONS

- 7 Projects (5 sovereign, 2 non-sovereign)
- 36 FGDs
- 61 household interviews



ACCESSIBILITY & QUALITY OF INFORMATION*

All 18 consultations have had the PowerPoint slides and summary papers disclosed and translated into 4 languages prior to the consultation event



Consultations simultaneously interpreted in 9 languages

94% reported that presentations & other materials provided were sufficient and understandable

83% reported that they received materials with sufficient time to review

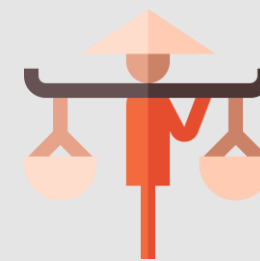


Post-event survey respondents (N=250)

RESPONSIVENESS & TRANSPARENCY*

87%

of participants reported that they were either very satisfied or satisfied with the overall quality of sessions



92%

said their questions were satisfactorily answered

by ADB

95%

felt safe and secure to voice their insights and to ask questions

91% of participants were satisfied with the online platform used for consultations



Acronyms: CSOs = civil society organizations; DMCs = developing member countries, PS = Private Sector; PAP = project-affected persons

* Data from Regional Consultations and Private Sector FGDs

High Level Summary of Stakeholder Feedback

SPS Update Regional Consultations

DMCs

- Current SPS is benchmark for good practice
- Need closer alignment with country safeguard systems (CSS), avoid duplication, costs
- Greater consistency between MFI policy and procedures would reduce transaction costs
- Greater integration between environmental and social issues important, yet capacity is challenge.
- Need improved guidance & enhanced capacity support from early stages for country and project

CSOs

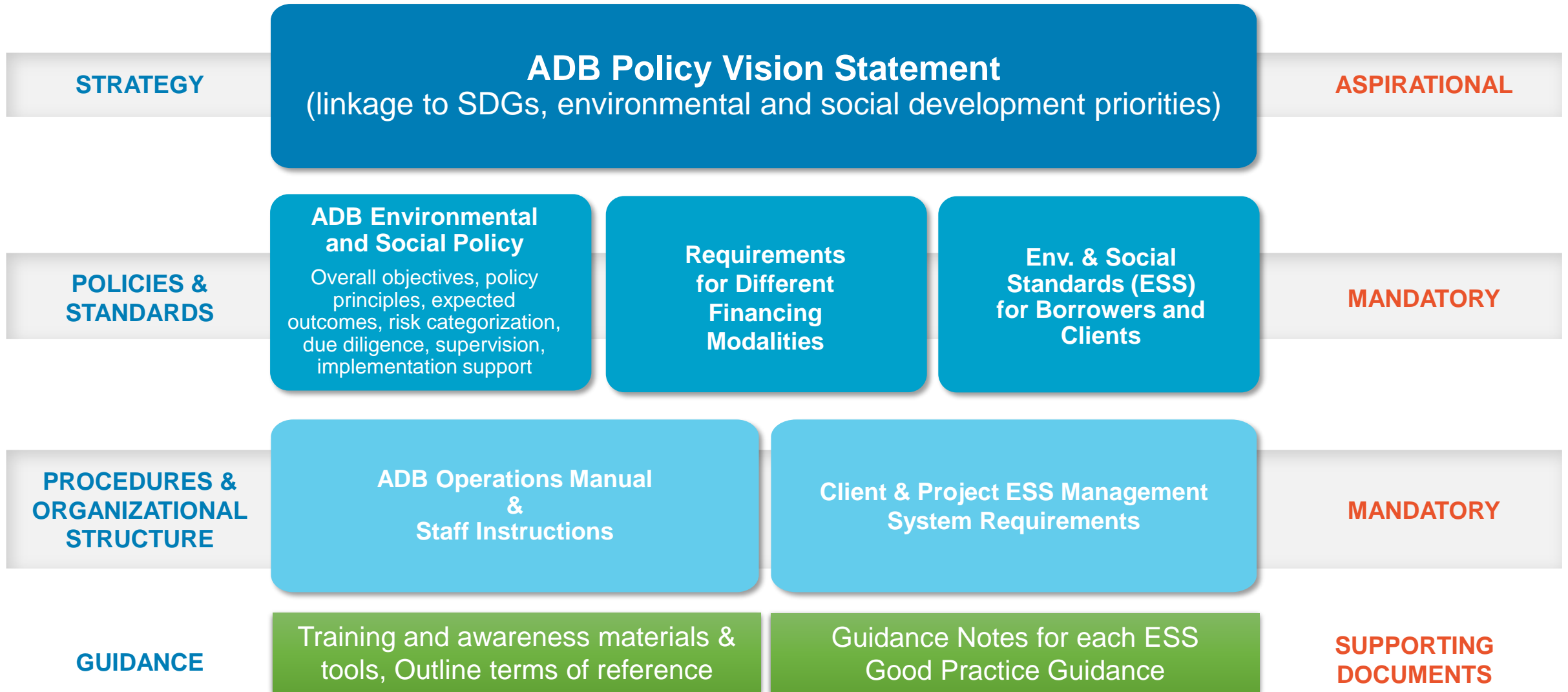
- Don't water down safeguards
- Concerns on use of CSS without equivalence and acceptability.
- Enhance stakeholder engagement and disclosure.
- Need safe space and address risks of retaliation.
- Concerns on safeguards for financial intermediaries
- Some key issues – climate change, gender, vulnerable & disadvantaged groups, biodiversity, labor issues, Indigenous People's, human rights

Private sector

- Convergence with IFC Performance Standards and Equator Principles
- Closer alignment with CSS and requirements
- Simplify disclosure requirements in alignment with other MFIs (e.g., reduce 120-day disclosure for EIAs)
- Greater clarity & guidance on requirements; ADB technical support during preparation and implementation

ADB's Proposed Policy Architecture Model

Environmental and Social Policy



Environmental and Social Policy Standards (ESS)

Policy objectives, scope and requirements for borrowers and clients



 <p>1 Assessment & management of environment and social risks and impacts</p> <p>ENV, IR, IP</p>	 <p>2 Labor and working conditions</p> <p>New</p>	 <p>3 Pollution prevention and resource efficiency</p> <p>ENV</p>
 <p>4 Health, Safety and Security</p> <p>ENV</p>	 <p>5 Land acquisition and land use restriction</p> <p>IR</p>	 <p>6 Biodiversity and sustainable natural resource management</p> <p>ENV</p>
 <p>7 Indigenous Peoples</p> <p>IP</p>	 <p>8 Cultural heritage</p> <p>ENV</p>	 <p>9 Stakeholder engagement and information disclosure</p> <p>ENV, IR, IP</p>

Notes: Mapping new policy structure to previous SPS policy areas: ENV: Environment, IR: Involuntary Resettlement, IP: Indigenous People

Sustainable Development and Climate Change Department (SDCC)
Safeguards Division (SDSS)



Session 2(a): Policy Directions and Recommendations on Environmental Safeguards

Zehra Abbas, Principal Environment Specialist, Safeguards Division (SDSS),
Sustainable Development and Climate Change Department (SDCC)



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Screening and Classification of Environmental & Social Risks

Analytical Study Findings and Policy Direction



Main Study Findings

- ADB follows significance based categorization (A, B & C) separately for environment, involuntary resettlement and Indigenous Peoples' safeguards.
- Comparator MFIs follow an integrated classification based on impacts and risks across all safeguard standards.
- E.g. World Bank has a four-tier risk classification system (low, moderate, substantial and high risk);
- MFIs review safeguard categories or risk ratings during implementation & link to requirements for supervision & monitoring.

Policy Direction

- » ADB and borrower/client to undertake an integrated environmental and social risk screening, categorization and assessment that considers:
 - **Direct and indirect** adverse impacts of a project
 - **Inherent** risk factors in different sectors
 - **Vulnerability and sensitivity** in the operating environment, e.g. biodiversity and natural habitats, natural disasters, and climate change, presence of vulnerable or disadvantaged groups etc.
- » ADB to also consider additional context and performance issues:
 - **Contextual risk factors**, e.g., fragility and conflict; governance; third party risks; and human rights issues
 - **Performance related risk:** Management systems, capacity, resources, commitment
- » Adopt a dynamic four-tier risk-based categorization that is regularly reviewed throughout a project's lifetime.



Assessment & Management of Environmental & Social Risks

Analytical Study Findings and Policy Direction

Main Study Findings

- In the SPS, there is an imbalance in how environmental and social issues are addressed in the assessment process.
- Interrelated social and environmental impacts and risks not captured adequately.
- MFIs promote more adaptive risk management throughout the project life cycle.

Policy Direction

- » Environmental and social assessment, commensurate with the impacts and risks.
- » More integrated assessment process, including focus on climate risks, gender, and range of vulnerable and disadvantaged groups.
- » Follow principle of adaptive risk management, balancing pre-project approval requirements with actions to be taken later based on risk level.
- » Integrate environmental and social commitment plans into legal agreements.
- » Strengthen ADB performance monitoring and capacity support, particularly during implementation.



Assessment & Management of Environmental & Social Risks

Due Diligence Requirements and Procedures

Due Diligence Requirements for the Borrower

- **Environmental and social impact assessment (ESIA)** of the proposed project, including stakeholder engagement.
- **Stakeholder engagement** and disclosure of appropriate information in accordance with the provisions of the standard on stakeholder engagement.
- **Monitoring and reporting** on the environmental and social performance of the project against the environmental and social standards (ESSs) and management plan/s.
- **Environment and Social Commitment Plan (ESCP)**, and agreement between ADB and the Borrower. Will set out measures and actions required for the project to meet the ESSs over a specified timeframe (to be part of the legal agreement).

Environment and Social Commitment Plan

Requires the Borrower to plan or take specific measures and actions over a specified timeframe to manage the impacts and risks of the project.

The Borrower will carry out all project activities, and relevant plans in accordance with the ESCP.



Pollution Prevention and Resource Efficiency

Analytical Study Findings and Policy Direction

Main Study Findings

- Climate: Greenhouse gas emissions (GHG) – significance threshold – MFIs moving towards lower thresholds (100,000 tons to 25,000 tons CO₂ eq/year).
- Increase focus on hazardous waste and water issues
- Range of emerging issues and new international conventions & commitments (e.g., mercury, plastics)

Policy Direction

- » Continue requirements for applying international good practice standards (e.g., updated World Bank Environmental Health and Safety Guidelines)
- » Consider thresholds for GHGs & benchmarking for resource efficiency
- » Assess water use and water balance (with thresholds)
- » Emerging issues to consider further, e.g.:
 - Ultrafine air pollutants
 - Circular economy and microplastics,
 - Hazardous wastes



Pollution Prevention and Resource Efficiency

Additional Requirements and Due Diligence

- » Assess GHG emissions for all projects. Monitor and report on GHG which are assessed to emit more than 25,000 tons CO₂ equivalent per year.
- » Benchmark energy intensity against best available techniques
- » Conduct water use and water balance assessment for projects with predicted significant long term operational water use.
- » Undertake assessment and management of soils where significant soils impacts expected.
- » For contaminated sites, undertake a health and safety risk assessment of existing pollution (on site).



Health, Safety and Security (HSS)

Analytical Study Findings and Policy Direction

Main Study Findings

- Current SPS provisions are not comprehensive or consolidated
- Need to address risks across project cycle
- Gaps in a range of areas:
 - Project security risks to communities and workers
 - linkage of pollution risks to human health and environment.
 - Climate change and other vulnerabilities to affected communities
 - Traffic and road safety

Policy Direction

- » Risk assessment and management systems for workers and community
- » Consideration of health impact assessment
- » Requirements on monitoring and reporting, including on fatalities and major incidents; including indicators for tracking and reporting.
- » Assess project security threats to workers and project-affected communities
- » Allocate budget resources for implementation, personal, training, monitoring and equipment



Health, Safety and Security

Additional Requirements and Due Diligence

Requirements

- » Community and Workers' Risk Assessment and Management Plan*, with coverage based on screening:
 - Security risk for workers and communities.
 - Sexual abuse and harassment risks to workers and affected communities.
 - Climate change and disaster risk assessment for projects in sensitive locations
 - Life and Fire safety audits for new and refurbished facilities prior to use.
 - Reporting on major incidents such as fatalities and accidents.

**Note, assessment needed only for projects based on screening of relevant issues, with scale of assessment and management needs commensurate issues and risks.*



Main Study Findings

- Increased international focus on biodiversity loss and nature positive investment
- SPS generally aligned with other MFIs, however there is a need for clearer requirements and guidance for:
 - » baseline data collection and assessment
 - » determination of critical habitat,
 - » development in protected and internationally-recognized areas,
 - » assessing ecosystem services
 - » determining biodiversity offsets

Policy Directions

- » Enhance focus on avoidance of impacts.
- » Consider to include World Heritage Sites and Alliance of Zero Extinction sites as exclusion zones (with exception for conservation)
- » Strengthen protection for critical habitats with net gain requirement. Include “free flowing rivers” as additional critical habitat trigger?
- » Use of offsets to be screened carefully to ensure implementable.
- » Assess ecosystems services and their use values as part of project due diligence
- » Consider sustainable management of primary supply chains
- » Consider emerging issues - risks of zoonotic diseases, animal welfare & genetically modified organisms (GMOs)



- » **Alternatives Assessment** required to demonstrate that all options have been assessed, particularly for projects where Critical Habitat is triggered (beyond existing requirements)
- » **Critical Habitat Assessment** required where identified at the screening stage
- » **Ecosystem services and/or ecological flows (e-flows) assessment** required where identified at the screening stage.
- » **Biodiversity Action Plan** prepared for projects in critical habitat to establish net gain
- » **Biodiversity Offsets**, where needed, will require confirmation on the feasibility of implementation and preparation of a biodiversity offset management plan.
- » **Supply chain risks assessment** and management required as part of the environmental assessment.



Main Study Findings

- The SPS largely aligned with other MFIs,
- SPS does not consider:
 - » Intangible Cultural Heritage (CH) and visual impacts to CH
 - » Crosscutting aspects with biodiversity & Indigenous Peoples; and user access to CH sites.
 - » Criteria to trigger archaeological fieldwork
 - » Contractor requirements to apply protection measures
 - » Community consultation to identify CH
 - » Legally protected CH

Policy Direction

- » Include intangible cultural resources and visual impacts
- » Screen for CH and undertake assessment and management planning
- » Monitoring and reporting needed to strengthen CH site management plans
- » Establish coordination with national CH bodies/archeological department to share project level CH findings

Questions, Answers and Discussion



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Q&A Mechanics

How to raise questions/feedback:

For in-person participants

- Raise your hands and provide your feedback live
- Use Menti – scan the QR code



For online participants

- Raise your hands virtually through the Zoom button
- Type your questions/feedback on the Zoom chat box
- If you want your question asked anonymously, instead of sending the chat message to everyone, you may send your question/feedback to Jude Gonsalves or Niel Aquino
- Use Menti – scan the QR code or click the link on the chatbox



Participants will be called on a first-come, first-served basis. Participants may be called in batches to manage time.

Get involved
Please send us your feedback and suggestions:

WEBSITE

<https://www.adb.org/who-we-are/about/safeguard-policy-review>

FACEBOOK PAGE

<https://www.facebook.com/ADBsafeguardreview>

10:00

E-MAIL

safeguardsupdate@adb.org



[Visit SPRU website](#)



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Screen Break



Sustainable Development and Climate Change Department (SDCC)
Safeguards Division (SDSS)



Session 2(b): Policy Directions and Recommendations on Social Safeguards

Madhumita Gupta, Principal Social Development Specialist, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)



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Labor and Working Conditions (LWC)

Analytical Study Findings and Policy Direction

Main Study Findings

- Current provisions scattered between SPS, ADB Social Protection Strategy (2001), & Core Labor Standards (CLS) Handbook
- Current provisions largely aspirational and lack clear requirements for borrowers/clients
- Comparator MFIs have separate standard for LWC, & operational-focused guidance notes
- Range of policy gaps compared to other MFIs

Policy Direction

- » Align with the LWC standards of comparator MFIs, with focus on CLS and working conditions.
- » Specific requirements on:
 - Different worker types (direct workers, contract workers, primary supply workers & community workers)
 - Equal employment opportunity
 - Sexual exploitation abuse and harassment (SEAH)
 - Labor-influx management
 - Grievance Redress Mechanisms (GRM) for workers and policy position against reprisals
 - Occupational health and safety
- » Labor management planning commensurate with risk
- » Address conditions of contracts are cascaded to subcontractors

Land Acquisition and Land Use Restriction (LA/ LUR)

Analytical Study Findings and Policy Direction

Main Study Findings

- No significant gaps between ADB and MFIs for involuntary resettlement (IR) objectives and scope.
- Some MFI objectives have explicit mention of avoidance of forced eviction.
- Some MFIs have requirements for:
 - » Voluntary land transactions & voluntary land donations,
 - » Requirements for non-land acquisition livelihood impacts.
 - » Use of frameworks for projects without full impact assessments prepared before project approval;

Policy Direction

- » Cover both involuntary & voluntary forms of land acquisition (LA) & land use restrictions (LUR)
- » Strengthened livelihood restoration requirements due to IR
- » Clarity on livelihood impacts & asset losses not caused by land acquisition.
- » Valuation of assets to be based on principle of replacement cost
- » Separation of voluntary land acquisition from negotiated settlements under eminent domain
- » Provisions on forced evictions. Enhance focus on vulnerable and disadvantaged groups, and gender.
- » Link planning with the readiness of project technical design.
- » Develop guidance on how to address legacy issues.



Land Acquisition and Land Use Restriction (LA/ LUR)

Additional Requirements and Due Diligence

- **IR categorization** – remove numerical threshold - impact categorization through integrated risk-based approach.
- **Social impact assessment**, census and socio-economic survey strengthened and linked with project design and implementation.
- **Voluntary land acquisition** requirements clarified in terms of due diligence and documentation.
- **Valuation of lost assets** by valuation experts based on replacement principle and recognized valuation standards.
- **Associated facilities, cumulative social impacts and/or legacy issues** require mitigation of LA/LUR related risks and impacts, within the Borrower/Client's influence and control.
- **Mitigation of project-induced impacts** like adverse socio-economic impacts on assets, incomes and livelihoods, not directly resulting from LA/LUR will follow the requirements of standard 5.
- **Land Acquisition Frameworks** allowed only as an exception with detailed justification based on scoping
- **Project finance for filling gaps** between national legislation and practices for LA/LUR and SPS requirements.
- **Engagement of third-party monitoring experts** directly through ADB to enhance due diligence for projects with significant risks.
- **Undertake compliance monitoring** of LARP implementation before start of civil works, and completion monitoring of LARP implementation at the time of project closure



Main Study Findings

- Current SPS IP safeguards are generally well aligned with other MFI policies.
- ADB requires the criterion of ‘vulnerability’ in addition to distinctiveness criteria for IP identification purposes, which is not the case with other MFIs.
- ADB requires consent of IPs through Broad Community Support, while other MFIs require Free Informed and Prior Consent (FPIC).

Policy Direction

- » **Vulnerability** Criterion for IP identification will be dropped, this could result in more projects requiring application of IP safeguards.
- » **Collective attachment** concept broadened to include: areas of seasonal use or occupation and nomadic and seasonal livestock and grazing routes.
- » **Strengthening Social Impact Assessment**, including provisions on intangible impacts and contextual risks
- » **Consultation**: Improve consultation, participation & information disclosure and address intersectionality of gender and IP issues
- » **Grievance Redress Mechanisms**: Improve GRM and integrate IP justice systems where appropriate
- » **Introduce FPIC with scope of application requirements broadened** from the:
 - » commercial development of natural resources to “adverse impacts on”;
 - » commercial development of cultural resources to “significant impacts” and
 - » physical displacement of IP” to “relocation of IP”
- » **Ensure appropriate policy fit for different regions, including the Pacific.**



Indigenous Peoples (IPs)

Associated Changes and Due Diligence

Due Diligence Requirements

- **Introduction of FPIC and broadening scope:** would require additional due-diligence for consultation and participation of IP communities, and the documentation of outcomes. In comparison to BCS, broadening around the three specific circumstances could imply that any project in the IP areas, may require seeking FPIC.
- **Compensating IP communities** for adverse impacts will require earmarking of additional budget
- **IP Dispute resolution system** through a participatory approach will require more time and resources

Monitoring, Capacity Building and Resources.

- **Budget allocation** with additional resources will be specified for implementing IP standards.
- **Capacity building** will be needed to implement these requirements for both ADB staff and DMC counterparts. Additional resources, time budget and technical expertise will be required.



Stakeholder Engagement and Information Disclosure (SEID)

Analytical Study Findings, Policy Direction and Due Diligence

Study Findings

- ADB requirements are scattered across different safeguard areas and lack clarity on requirements.
- Recently updated MFIs have SEID requirements integrated in one policy standard.
- ADB has no specific requirements for stakeholder engagement plans.
- Enhance meaningful consultation & engagement across the project cycle

Policy Direction

- » Clarity on stakeholder engagement, information disclosure and GRM requirements; with dedicated budget.
- » Strengthen focus on gender, vulnerable and disadvantaged groups.
- » Establishing GRMs using existing formal and informal mechanisms, provision for anonymous complaints.
- » Provision against intimidation and reprisals
- » Develop verifiable indicators to monitor key SEID components
- » Considering aligning disclosure requirements with MFIs; e.g., 60-day EIAs disclosure for Cat A. 30 days for Cat B, social assessments before ADB appraisal.

Due Diligence Requirement

- » Develop a stakeholder engagement plan and GRM proportionate to the nature and scale of the project, with meaningful consultation throughout the project cycle.

Questions, Answers and Discussion



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Q&A Mechanics

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Lunch Break



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Safeguards Division (SDSS)



Session 3: Stakeholder Engagement, Information Disclosure, and Grievance Redress Mechanism

Zaruhi Hayrapetyan, Social Development Specialist, Safeguards Division (SDSS),
Sustainable Development and Climate Change Department (SDCC)



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Stakeholder Engagement under SPS (2009)

- **Meaningful consultation** is required with affected people, indigenous communities, host communities, and concerned nongovernment organizations
- **Grievance redress mechanism** scaled to the risks and adverse impacts of the project.
- **Disclosure** of a draft environmental assessment, IR and IP frameworks and plans in a timely manner
- **Disclosure of monitoring reports** on ADB website and relevant information from monitoring reports to affected people.



- **Policy Level**

- Limited guidance on how to make consultations and GRMs effective and monitor effectiveness.
- Disclosure requirement of 120 days EIA for category A projects is not aligned with other MFIs.

- **Project Implementation Level**

- Weaknesses in consultation processes, timely disclosure, and GRM functioning
- Low disclosure for non-sovereign operations influenced by client confidentiality clauses

Independent Evaluation Department: Findings for Stakeholder Engagement, Information Disclosure and Grievance Redress Mechanism



- Adopt an **integrated approach** covering environmental and social dimensions.
- Develop **separate policy standard for stakeholder engagement**, with provisions aligned with the recently updated MFI safeguard frameworks.
- Adopt **stakeholder engagement plan (SEP)** as best practice safeguards instrument;
- Consider **shorter disclosure requirements**, particularly for non-sovereign operations.
- **Improve guidance** and **systematic training** to staff, borrowers and clients was emphasized.

- **Study objective:** to provide informed recommendations for the development of a standard
- **Methodology**
 - Desk based document review
 - Benchmarking with other MFI polices
 - Stakeholder consultations and workshops

- ADB requirements are scattered across different safeguard areas and lack clarity on requirements.
- Recently updated MFIs have SEID requirements integrated into one policy standard.
- ADB has no specific requirements for stakeholder engagement plans.
- Improvement is needed for engagement across the project cycle, particularly during implementation.

Policy Direction: SEID Standard Stakeholder Engagement during Project Preparation

- Stakeholder Engagement Plan;
- More clarity on meaningful consultations, information disclosure and grievance mechanism
- Designated personnel and dedicated budget;
- Strengthened focus on gender, vulnerable and disadvantaged groups;
- Provision against intimidation and reprisals;
- Considering aligning disclosure requirements with MFIs; e.g., 60-day EIAs disclosure for Cat A. 30 days for Cat B, social assessments before ADB appraisal.

Policy Direction: SEID Standard Engagement during Implementation



- Strengthening the focus on stakeholder engagement during implementation
- Monitoring of stakeholder engagement activities
- Progress reporting on stakeholder engagement activities

Policy Direction: SEID Standard: Grievance Mechanism and Management of Grievances



- Establishing grievance mechanism at the earliest opportunity;
- Considering formal and informal mechanisms;
- Providing mechanisms to accommodate anonymous complaints;
- Monitoring of implementation of the grievance mechanism;
- A separate grievance mechanism in case of grievances involving workers or with risk of gender-based violence

Questions, Answers and Discussion



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Session 4: Presentation of Environmental Standards

Zehra Abbas, Principal Environment Specialist, Safeguards Division (SDSS),
Sustainable Development and Climate Change Department (SDCC)



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Assessment & Management of Environmental & Social Risks

Analytical Study Findings and Policy Direction

Main Study Findings

- In the SPS, there is an imbalance in how environmental and social issues are addressed in the assessment process.
- Interrelated social and environmental impacts and risks not captured adequately.
- MFIs promote more adaptive risk management throughout the project life cycle.

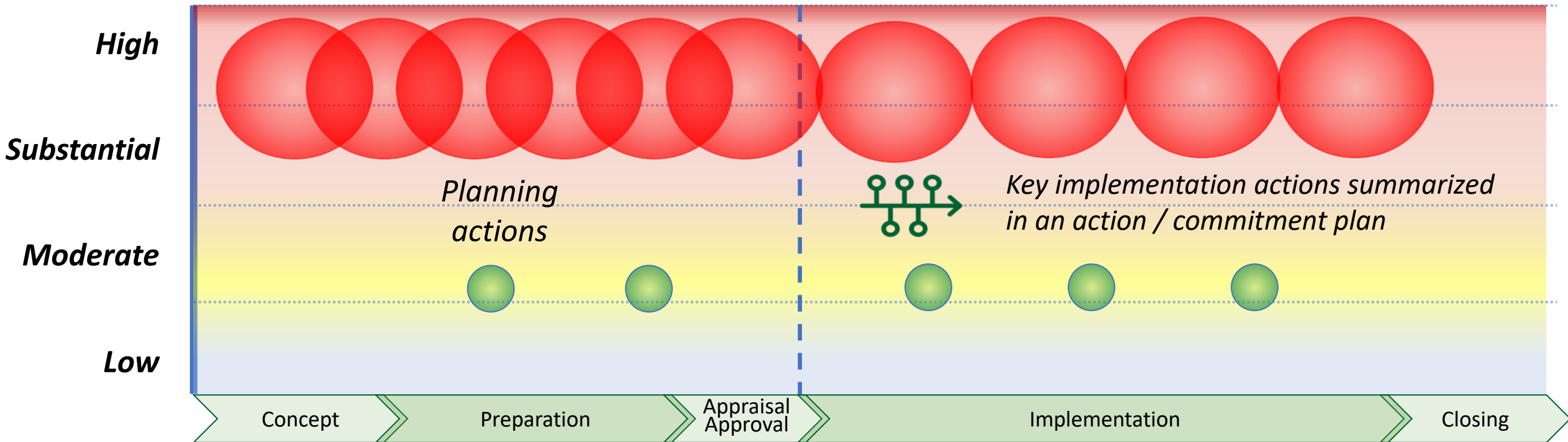
Policy Direction

- » Environmental and social assessment, commensurate with the impacts and risks.
- » More integrated assessment process, including focus on climate risks, gender, and range of vulnerable and disadvantaged groups.
- » Follow principle of adaptive risk management, balancing pre-project approval requirements with actions to be taken later based on risk level.
- » Integrate environmental and social commitment plans into legal agreements.
- » Strengthen ADB performance monitoring and capacity support, particularly during implementation.

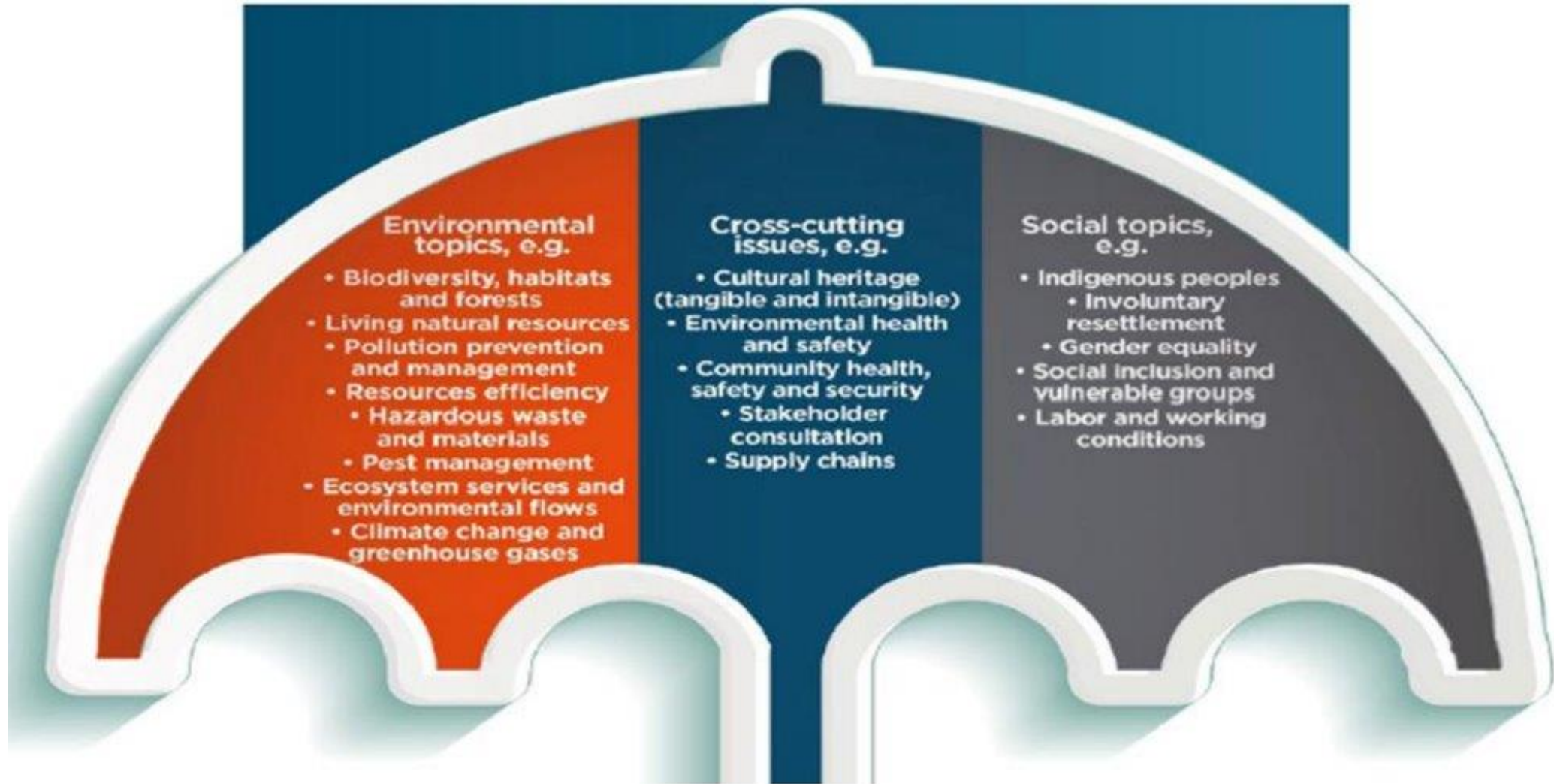
Effort and Sequencing Proportionate to Risk

Project Risk Levels

Higher risk projects require more, both during preparation and implementation



Integrated Environmental and Social Assessment Process



Biodiversity and Sustainable Natural Resource Management (SNRM) – Study Summary



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Biodiversity and Sustainable Natural Resource Management

Safeguards Policy Statement 2009

Main requirements:

- Assess significance of project impacts on biodiversity and natural resources.
- Identify measures to:
 - avoid, minimize, or mitigate adverse impacts and, as a last resort, propose compensatory measures/biodiversity offsets, to...
 - achieve no net loss or a net gain of the affected biodiversity.
- Identify Modified, Natural, Critical Habitat and Legally Protected Areas and apply policy as appropriate (see next slide)
- Invasive Alien Species
- Sustainable management of renewable natural resources

Biodiversity and Sustainable Natural Resource Management

Implementation Challenges for the SPS

- **Project alternatives:** Upstream consideration of alternatives and difficulties in ensuring proper analysis is conducted and the mitigation hierarchy is followed
- **Biodiversity Action Planning (BAPs):** Not a direct SPS requirement and so the development of BAPs is variable and requirements for offsetting are limited
- **Offsets:** Difficulties in ensuring offset requirements are implemented post construction and need for long-term monitoring and financing.
- **Quality of assessment:** SPS lacks detail as to what is required for baseline collection, impact assessment and mitigation development and management. Capacity of experts to complete assessments is variable.

Policy Directions-Likely Changes

- » Enhance focus on avoidance of impacts. **Alternatives Assessment** required to demonstrate that all options have been assessed, particularly for projects where Critical Habitat is triggered (beyond existing requirements).
- » **Exclusion Zones:** Consider to include World Heritage Sites and Alliance of Zero Extinction sites as exclusion zones (with exception for conservation)
- » Strengthen protection for critical habitats with the requirement to demonstrate **net gain-** prepare **Biodiversity Action Plan**. Include “free flowing rivers” as additional critical habitat trigger? **Critical Habitat Assessment** required where identified at the screening stage.
- » **Ecosystem services and/or ecological flows (e-flows) assessment** required where identified at the screening stage.
- » **Biodiversity Offsets**, where needed, will require confirmation on the feasibility of implementation and preparation of a biodiversity offset management plan.
- » **Supply chain risks assessment** and management required as part of the environmental assessment.
- » Consider emerging issues - risks of zoonotic diseases, animal welfare & genetically modified organisms (GMOs)

Pollution Prevention and Abatement – Study Summary



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Pollution Prevention and Abatement

Safeguards Policy Statement 2009

I. Pollution Prevention, Resource Conservation, and Energy Efficiency

- Apply internationally recognized standards such as the World Bank Group Environment, Health and Safety (EHS) (2007) Guidelines. Between national and VVB EHS – more stringent standards to prevail. Less stringent subject to justification.
- Follow mitigation hierarchy in terms of project impacts from pollutant emissions and discharges
- Employ resource efficiency. In degraded areas where project impacts will be significant – offsets should be introduced

2. Wastes

- Follow the mitigation hierarchy with respect to waste production
- Treat destroy and dispose in environmentally sound manner
- Segregate hazardous waste and dispose in appropriate manner

Pollution Prevention and Abatement

Safeguards Policy Statement 2009

3. Hazardous Materials

- Avoid manufacture and use of hazardous substances subject to international bans and phaseouts.
- Prohibited Investment Activities List- Use of cement-bonded Asbestos restricted to <20% .

4. Pesticide Use and Management

- Health and environment risks associated with pest management should be minimized
- No use of products that fall in WHO Pesticide Hazard Classes Ia or Class II.
- Disposal following international good practice such as FAO Code of Conduct

5. Greenhouse Gas Emissions

- Project emissions- threshold **100,000 tCO₂eq/yr** - evaluate options to reduce or offset project emissions.
- Promote reduction of project related GHG emissions

Pollution Prevention and Abatement

Implementation Challenges for the SPS



- **Interpretation of the technical standards** that must be applied and the difficulty in doing so across all pollutants
- **Relationships and synergistic social and environmental impacts** not captured in safeguard assessments
- **Air Quality:** SPS lacks clarity and guidance on how to follow interim target limits set in the WB EHS Guideline which follow the World Health Organization (WHO) ambient guidelines.
- **Noise:** WB EHS Guidelines indicate to apply WHO based standards and not national standards

- » Assess GHG emissions for all projects. Monitor and report on GHG which are assessed to emit more than 25,000 tons CO₂ equivalent per year.
- » Benchmark energy intensity against best available techniques
- » Conduct water use and water balance assessment for projects with predicted significant long term operational water use.
- » Undertake assessment and management of soils where significant soils impacts expected.
- » For contaminated sites, undertake a health and safety risk assessment of existing pollution (on site).

Policy Provisions in SPS, 2009 and Current Practice for Health, Safety, and Security



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Findings from Comparator Analysis

Differences and Gaps in Scope and Coverage – Community Health and Safety

- **Structure** – Placed within Environment safeguards but COSH risks also includes Social safeguards
- Silent on client/borrower role when CHS risks are managed by relevant public authority – notify, cooperate and monitor.
- Silent on project security risks to communities
- Silent on Biodiversity and ecosystems.
- Does not provide linkage to prevention of pollution risks to human health and environment.
- Silent on Climate Change and other vulnerabilities to affected communities
- Sexual Exploitation Abuse and Harassment. Worker-to- community SEAH Risks
- Traffic and Road Safety – ADB Road Safety Plan

- The borrower/client will identify and assess the risks to, and potential impacts on, the safety of **affected communities** during the design, construction, operation, and decommissioning, of the project, and will establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts.
- Covers risks arising throughout the entire project cycle – design to decommissioning.
- Covers both accidental and natural hazards - where project structural elements could exacerbate them.
- Emergency Prevention and preparedness response planning for communities.
- Clarifies expertise for projects in high-risk location – dams etc.

Requirements

- » Community and Workers' Risk Assessment and Management Plan*, with coverage based on screening:
 - Security risk for workers and communities.
 - Sexual abuse and harassment risks to workers and affected communities.
 - Climate change and disaster risk assessment for projects in sensitive locations
 - Life and Fire safety audits for new and refurbished facilities prior to use.
 - Reporting on major incidents such as fatalities and accidents.

**Note, assessment needed only for projects based on screening of relevant issues, with scale of assessment and management needs commensurate issues and risks.*

Cultural Heritage – Study Summary



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Cultural Heritage

Existing SPS Requirements



- Identify measures to **conserve and avoid damage or destruction** of physical cultural resources (PCR); **apply field-based surveys** that employ qualified and experienced experts; and adopt **‘chance find’ procedures** (CFP).
- Highlights the **importance of consultation**, both with local communities and relevant national or local regulatory agencies.
- If avoidance of PCR is not possible, strict conditions are to be met- **removal of PCR is prohibited unless strict conditions are met.**
- CFP is included in project EMP. Where PCR is found during assessment, project-specific requirements are indicated in a **Cultural Heritage Management Plan (CHMP)**

Cultural Heritage

Implementation Challenges for the SPS

- **Infrequent application** of PCR safeguards across project portfolio.
- **Varied geographical presence of PCR** between and within DMCs, creating **differing internal capacity and standards of DMCs**, leading to inconsistent level of assessment for PCR and inconsistent regulatory approach.
- Lack of guidance on setting implementation conditions and preparing plans.
- Where **PCR management and assessment does not follow international practice**, risks of misinterpreting the importance of PCR exists.
- **Lack of detailed requirements** with respect to baseline collection.
- No mention of **integration of social and community PCR interests** and how to **consider natural features and landscapes**.
- **Lack of recognition, understanding and awareness** with regards internationally designated sites.

Policy Directions-Likely Changes

- Definition for **categories** for tangible cultural heritage.
- Include **Intangible cultural heritage** (as oral traditions, performing arts, social practices, rituals, festive events, knowledge and practices concerning nature or the knowledge and skills to produce traditional crafts) is only addressed with respect to its commercial use, with insufficient guidance.
- Explicit reference to **Indigenous people's** cultural heritage.
- In addition to following applicable laws and regulations of the jurisdiction in which the project operates, including host country obligations under international law, there is a need to explicitly address **user access to cultural heritage sites**.
- Address **visual impacts** on cultural heritage.
- Need to explicitly require **consultation as a means of identifying cultural heritage**.
- Establish **coordination with national CH bodies**/archeological department to share project level CH findings

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Synthesis of Day 1 and Comments from CSOs



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Wrap Up

Bruce Dunn, Director, Safeguards Division (SDSS),
Sustainable Development and Climate Change Department (SDCC)



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Announcement and Event Evaluation



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