

Press Release

Civil Society says “NO to Weakened Standards YES to Accountability”

20 April 2006, Manila, Hyderabad, Colombo - Civil society organizations monitoring the Asian Development Bank condemn ADB’s effort to weaken its safeguard policies. An open letter was signed by over fifty civil society organizations worldwide which said: “No to weakened standards. Yes to accountability.”

In fear of losing business from countries whose economies are growing stronger, ADB initiated the review of its Involuntary Resettlement Policy, Environment Policy and Indigenous Peoples Policy (collectively known as Safeguard Policies) in July 2005. The so-called “update” aims to help borrowers comply easily with the safeguard policy requirements.

ADB’s Safeguard Policies are essential to its stated mission of poverty reduction and guarantee certain standards of social and environmental protection in ADB-funded projects. “As a public institution with a development mandate, ADB should strengthen its environmental and social standards and hold its management accountable for policy implementation,” Hemantha Withanage of the NGO Forum on ADB (or Forum) said. Forum is a network of civil society organizations engaged in monitoring the ADB.

“With our connections to project-affected people, we hear violations of ADB Safeguard Policies in many ADB-funded projects. ADB projects displace people in many countries and destroy the environment and livelihoods of affected people,” he said.

He added that they see local communities oppose ADB projects in many Asian countries. Sindh Coastal Development Project in Pakistan, Nam Theun 2 Project in Laos, and Southern Transport Development Project in Sri Lanka are few examples.

In the open letter, civil society organizations demanded ADB to uphold and ensure the following:

- **Compliance with international human rights, labor and environmental laws, conventions, and norms;**
- **Develop clear and comprehensive social and environmental policy frameworks** that demonstrate a commitment to sustainable development and poverty reduction;
- **Establish mechanisms for compliance and ensure accountability for results on the ground;**
- **Protect the rights of all affected communities; and**
- **Ensure respect for internationally guaranteed rights of the indigenous peoples**

Civil society organizations said, “We fear that unless clear statements are made to the contrary at the outset, the Safeguard Update of the ADB will provide an opening to weaken social and environmental standards in substance, spirit and scope.”

For more information, please contact

Hemantha Withanage, NGO Forum on ADB Hemantha@forum-adb.org
Romil Hernandez romil@forum-adb.org

Notes to the Journalists:

Large borrowers see safeguard policies as an obstacle to speedy project processing and headache-free project implementation. Some borrowers disagree with the protections given to vulnerable groups and environment under ADB’s current policies. ADB is concerned about its stagnating lending and its “relevance” to its clients. According to the latest ADB Operation Evaluation Department report, ADB has lost 43% of its profits from 2001-2004. Only South Korea, Philippines, India, China, Indonesia and Bangladesh borrow from ADB’s high interest loans.