

March 11, 2007

## A CALL TO SAFEGUARD EQUITABLE AND SUSTAINABLE DEVELOPMENT IN ASIA

### *Collective statement by NGO Forum on ADB regarding the ADB Safeguard Policy Update*

As representatives of diverse civil society organizations from across the Asia Pacific region and beyond, we raise our voices to demand that the Asian Development Bank (ADB) uphold the best international social and environmental standards for all ADB-financed projects.

The ongoing Safeguard Policy Update (SPU) offers the ADB a critical opportunity to enhance its policies on environmental assessment, involuntary resettlement and indigenous peoples in accordance with international standards. The SPU should serve as a process through which the ADB incorporates lessons from past failures and successes, and establishes dramatically improved policies and fully funded systems for safeguard implementation and accountability. We are deeply concerned that the SPU is instead being used by the ADB to lower its social and environmental standards and bow to pressure from borrowers that want money “with no safeguard strings attached.”

If the ADB abandons its responsibility to ensure rigorous social and environmental protections, local people across Asia will be the ones who pay the price. The ADB is a public institution with a mandate to promote poverty reduction and sustainable development for the citizens of Asia and the Pacific. As the ADB prepares to release a draft of its revised safeguard policies, we unify our voices to remind the Bank that its institutional mandate cannot be achieved without strong safeguard policies and implementation systems. In particular, we call on the ADB to:

- **Reaffirm the value of safeguard policies and procedures.** There are indications that the approach of the SPU so far may be to simplify the requirements of the three major safeguard policies on Environmental Assessment, Involuntary Resettlement, and Indigenous Peoples, and consolidate the remaining requirements into a single policy document. A number of internationally accepted good practice measures and benchmarks that were formerly required would be relegated to an optional, advisory manual. If so, this would be a tremendous step backward for the institutional credibility of the ADB as a public institution with a mandate to support sustainable development and poverty alleviation. Instead of participating in a “race to the bottom” in terms of weakening social and environmental protections, the ADB should cultivate borrowers that welcome the highest international safeguard standards to promote equitable and sustainable development. The ADB should approach safeguard policy implementation as the institution’s core responsibility and as its foremost comparative advantage over other sources of development finance. Bank leadership can remind staff and member countries that safeguard policies were adopted because they make social, environmental *and* economic sense, and that prioritizing such safeguards is a wise investment.
- **Uphold and ensure compliance with international human rights, labor and environmental laws, conventions and best practice.** The updated safeguard policies should continue to reference relevant international laws and standards and ensure that projects are designed and implemented in accordance with internationally accepted standards<sup>1</sup>. We find it unacceptable that the ADB is proposing to move toward a “country systems” approach that would allow a

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<sup>1</sup> See the policy-specific recommendations attached in the appendix to this statement for an outline of the key policy principals that should be enhanced in each safeguard policy (Environmental Assessment, Involuntary Resettlement, and Indigenous Peoples) in order for the ADB policies to be consistent with international standards.

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downgrading of standards (moving away from international norms) and a re-setting of safeguard requirements for each recipient country, according to that country's "capacity." Such an approach would discriminate against citizens of countries with lower capacity and deprive those affected people of full protections in ADB-supported projects. As a public multi-lateral institution, we demand that the ADB uphold universal standards in its safeguard policies and implementation, in accordance with international best practice and human rights norms.

- **Apply a rights-based approach to the SPU.** The protection and promotion of the human rights of project-affected people should be the central focus of ADB safeguard policies and practice. The final report of the World Commission on Dams (WCD) concluded, "A rights-based approach provides a principled basis for mediating development choices among competing interests."<sup>2</sup> The rights-based framework outlined by the WCD is widely considered to represent best international practice for development policy and decision-making. This framework emphasizes the central importance of broad community support, negotiated settlements, and the internationally guaranteed right of communities and indigenous peoples to free, prior informed consent (FPIC).<sup>3</sup> We strongly urge the ADB—particularly given the ADB's status as a former Financial Contributor and Forum Member of the WCD—to ensure that all updated safeguard policies adhere to this framework.
- **Ensure that lessons from past failures in safeguard implementation are incorporated in the SPU.** The ADB accountability mechanisms and Operations Evaluation Department, along with civil society groups, academic institutions and grassroots organizations, have documented numerous cases of egregious safeguard policy violations and the grave harm caused to local communities and the environment. Despite the available documentation and analyses of lessons learned, these instances and trends of non-compliance and unsatisfactory development outcomes have still not been adequately addressed by the ADB, at either the project or institutional level. It is essential that the ADB make use of the SPU process to learn from the challenges and successes of the past, to inform the design of policies and systems that will effectively protect human rights and the environment, and guide project decision-making in the future.

We are concerned that the upcoming SPU consultation process does not allow for meaningful participation by civil society organizations and project-affected people.<sup>4</sup> The ADB's continuing lack of transparency about the status and direction of the SPU creates an additional obstacle to meaningful participation and input from outside groups. As those who stand to be most impacted by safeguard policy decisions made at the ADB, local communities and civil society groups must have equal opportunity to influence the outcome of the SPU.

We urge the ADB to work collaboratively with civil society to ensure that the SPU results in improved safeguard policies and implementation systems. Prioritizing strong protections for vulnerable groups and the environment is the only way to achieve enhanced development outcomes, and truly safeguard sustainable and equitable development for the people of the Asia Pacific region.

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<sup>2</sup> World Commission on Dams, *Dams and Development: A New Framework for Decision-Making*, 2000; p. 200.  
[www.dams.org/report/](http://www.dams.org/report/)

<sup>3</sup> Both the WCD report and the final report of the World Bank Extractive Industries Review call for recognition and implementation of the right of communities to FPIC, both as a principle of international law, and as a means to ensure affected peoples' genuine participation in decision-making processes and their long-term benefits.

<sup>4</sup> See "Concerns Regarding the Safeguard Policy Update," letter submitted by NGO Forum to ADB president, February 9, 2007.  
[www.forum-adb.org](http://www.forum-adb.org)

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Sincerely,

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