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ADB Safeguard Policy Review and Update: Country Safeguard Systems

REGIONAL CONSULTATIONS

4-6 April 2022



**SAFEGUARD
POLICY REVIEW
AND UPDATE**



ADB

Gentle Reminders



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Please introduce yourself in the meeting chat box by typing in your **NAME, DESIGNATION**, and **ORGANIZATION**.

- ✓ If possible, join from a quiet, distraction-free area
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- ✓ Be respectful to other participants
- ✓ Be conscious of time as per the agreed agenda

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ກາລຸນາກົດປຸ່ມເພື່ອຮັບຟັງການແປພາສາຜ່ານລະບົບ Zoom ທີ່ຢູ່ທາງຂ້າງລຸ່ມຫນ້າຈໍຂອງທ່ານ

Đề nghị nhấp chuột vào nút phiên dịch (Interpretation) trên thanh công cụ Zoom ở phía dưới màn hình của bạn.

2

Languages available:

Bahasa yang tersedia:

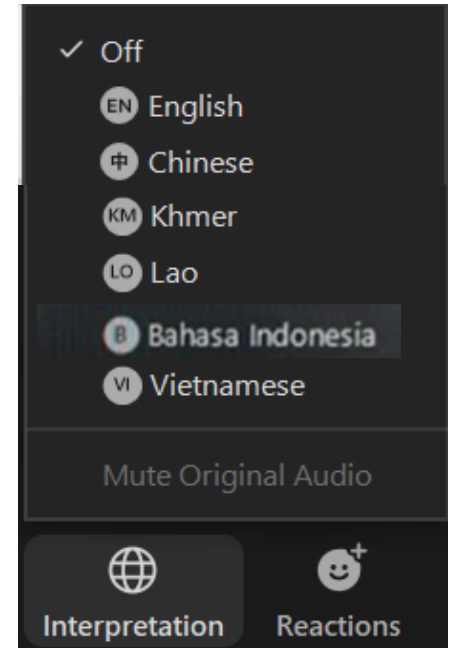
语言服务:

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Ngôn ngữ sử dụng:

- **Bahasa Indonesia**
Bahasa Indonesia
- **Chinese**
中文
- **Khmer**
ខ្មែរ
- **Lao**
ພາສາລາວ
- **Vietnamese**
Tiếng Việt



Simultaneous interpretations available!

समकालीन भाषांतरण उपलब्ध है!

رواں ترجمے کے لئے دستاب زبانیں

Осуществляется синхронный перевод!



1



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कृपया ज़ूम बार के इंटरप्रिटेशन (Interpretation) बटन पर क्लिक करें जो आपके स्क्रीन के निचले भाग में है।

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Нажмите на кнопку «Перевод» внизу экрана.

2

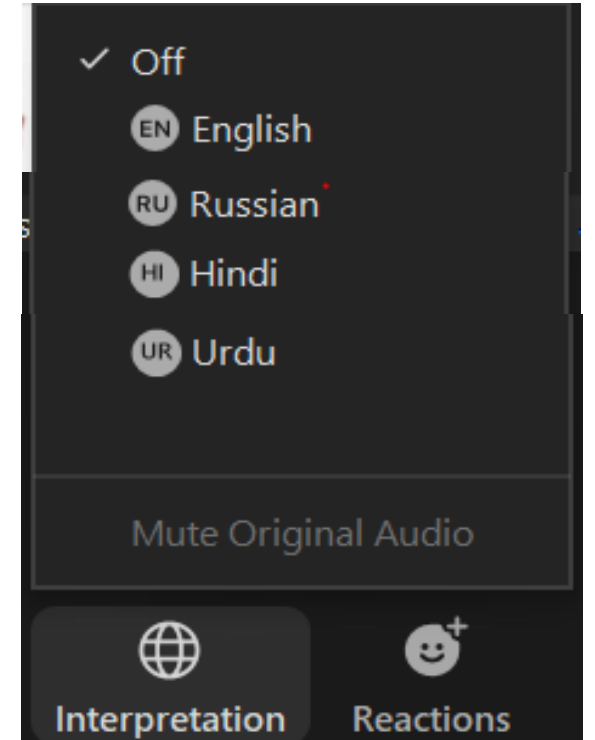
Languages available:

उपलब्ध भाषाएं:

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Выбор языка:

- **Hindi**
हिंदी
- **Urdu**
اردو
- **Russian**
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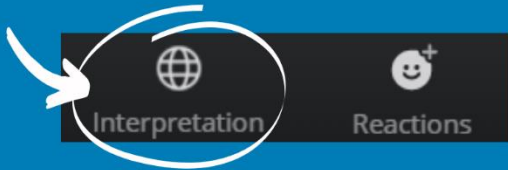




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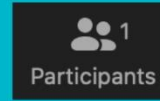


3

CHANGING YOUR NAME ON ZOOM

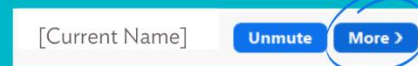
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Click on the Participants button at the bottom of your Zoom screen



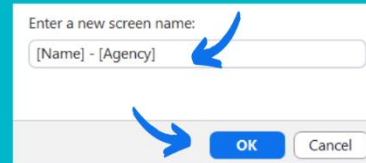
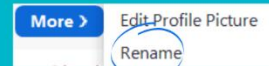
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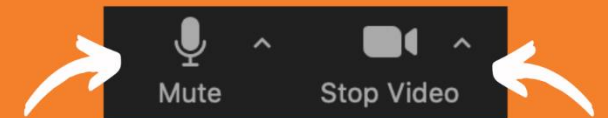
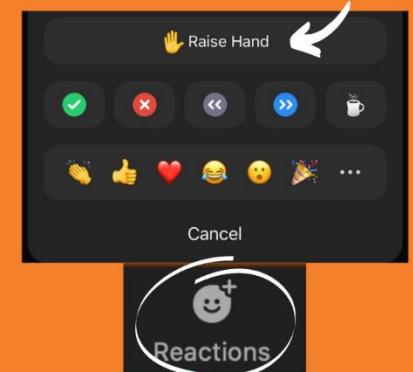


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Send a message, question or feedback by clicking the chat button.

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.





The Safeguard Policy Review and Update Phase 2 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.

All stakeholders are encouraged to articulate their inputs and concerns during these consultation sessions. By joining these sessions (and as noted in paragraph 47 of the Stakeholder Engagement Plan) stakeholders are consenting to the video and audio recording of these consultations and their subsequent release. ADB will prepare consultation summaries and disclose them publicly. This will ensure the accuracy and transparency of proceedings.

Stakeholders wishing to exclude themselves from such recordings are asked to contact the Safeguards Policy Review and Update Secretariat at safeguardsupdate@adb.org within 2 weeks of this session to share their exceptions and exclusions.



The recordings and documentation allow the ADB to review, consider and respond to, if necessary, any comments and inputs made. Background materials on the thematic areas have been released in preparation for the consultations and dialogues.

All types of feedback are welcome. These will not be used for the purposes of retaliation, abuse, or any other kind of discrimination.

If you have any issues or concerns on the disclosure, recording, confidentiality, potential risks, abuse, or any kind of discrimination during the consultations, or wish to exclude yourself from the recording of events and discussions, please contact the Secretariat at safeguardsupdate@adb.org.

AGENDA



SAFEGUARD POLICY REVIEW AND UPDATE



- 1. Introduction (5 mins)**
Azim Manji, Session Moderator and Stakeholder Engagement Team Leader, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)
- 2. Session 1: Welcome and Overview of the Safeguard Policy Statement (2009) and Update Process (10 mins)**
Bruce Dunn, Director, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)
- 3. Session 2: Presentations on the Findings from the Study on ADB's Experience with Country Safeguards Systems (15 mins)**
Zehra Abbas, Principal Environment Specialist, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)
- 4. Break (5 mins)**
- 5. Session 3: Moderated Discussion (75 mins)**
Moderated by Jelson Garcia, Senior Stakeholder Engagement Specialist, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)
- 6. Event Evaluation (5 mins)**
- 7. Wrap up (5 mins)**
Bruce Dunn, Director, Safeguards Division (SDSS), Sustainable Development and Climate Change Department (SDCC)

Session I: Welcome Remarks

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



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Session 2: Country Safeguard Systems (CSS) – Summary of Experience

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



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1. Objectives and methodology for Analytical Study on CSS
2. Existing policy
3. Findings from MFI comparative analysis
4. Implementation challenges
5. Lessons learned and next steps

Objectives and Methodology of the Analytical Study

- Assess ADB's **current approach** to strengthening and use of country safeguard systems (CSS).
- Review the approach of other multilateral finance institutions (MFIs) - **AIB, IDB, World Bank** - and assess key differences in approach to CSS.
- Review evaluation findings, identify challenges and lessons learned from past experiences with CSS.
- Propose issues for further consideration in ADB's revised safeguards policy.

ADB Safeguard Policy Statement (SPS) 2009 - Approach for strengthening and use of CSS



- SPS objective: *“help borrowers/clients strengthen their safeguard systems and develop the capacity to manage environmental and social risks.”*
- ADB needs to ensure that application of CSS in ADB projects does not undermine the achievement of ADB’s safeguard policy objectives and principles.
- ADB assesses feasibility to use CSS through equivalence and acceptability.
- CSS is **equivalent** if it is designed to achieve the same objectives and adheres to the policy scope, triggers, and applicable principles;
- CSS is **acceptable** if implementation practice, track record and demonstrated commitment to implement the applicable laws, regulations, rules, and procedures.
- CSS may be used at the country, sector, or agency levels for all or one safeguard.
- ADB supervision and role of ADB’s Accountability Mechanism remains unchanged.

Approach of other MFIs to CSS



Asian Infrastructure Investment Bank (AIIB)

- Use of borrower's CSS where review establishes material consistency with the objectives of AIIB's safeguards framework.
- AIIB maintains its supervisory role in project implementation.

Inter-American Development Bank (IDB)

- Use of borrower's framework where a review finds that it is functionally equivalent to IDB's safeguards Framework.

World Bank

- **Project level** use of all or part of a borrower's CSS if the framework is materially consistent with the ESF objectives based on WB's assessment.
- **Capacity building of CSS** undertaken through an Overview Assessment of borrower CSS to identify capacity building needs.
- The Overview Assessment may also be used to determine material consistency

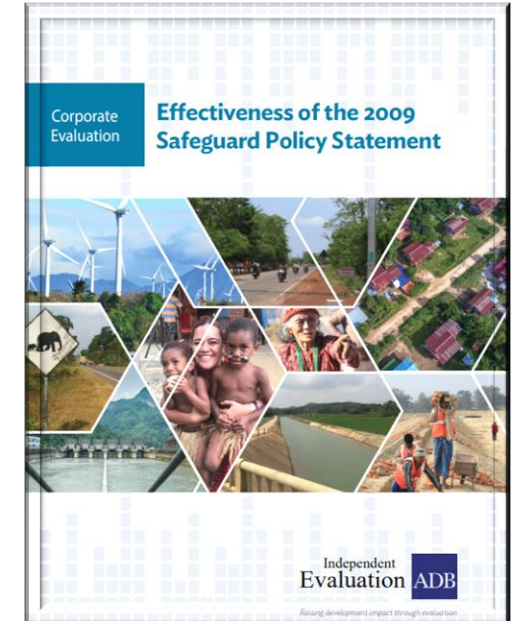
IED Evaluation of the Effectiveness of the SPS

Recommendation on the Use of Borrower Systems



“ADB needs to adopt a new approach in the policy towards strengthening borrower systems, with a view to a more systematic improvement and pragmatic use of country systems”

- Client strengthening needs to move away from transactional compliance and gap-filling...toward a broader focus on achieving environmental and social outcomes.
- Need a more sustained approach for legislative, policy and capacity development at the sector and/or agency level.
- ADB should consider using a broader set of modalities including policy-based lending, to enhance the government regulations...
- Promoting the use of CSS continues to have merit. ADB needs to find ways to move more quickly toward this objective, while mitigating risks.
- An alternative way of moving toward using CSS... integrate support for strengthening capacity within different financing modalities, such as RBLs.



Source: [safeguards-2009-main-report.pdf \(adb.org\)](https://www.adb.org/sites/default/files/publication/2010/09/safeguards-2009-main-report.pdf)

ADB Experience with Building Capacity for CSS

The ADB logo consists of the letters 'ADB' in a white, serif font, centered within a dark blue square.

- ADB initiated >\$50 million in technical assistance across 40 DMCs for strengthening CSS since 2009
- Assisted through country and region-specific implementation capacity building, safeguards reviews and assessments, training and guidelines.
- “Reconnaissance” equivalence assessments were undertaken for 40 DMCs – providing a high-level overview of each DMC’s safeguards frameworks.
- Support for more in-depth assessment in 3 DMCs (India, Indonesia and Sri Lanka)
- Strengthening of national safeguards implementation by establishing Safeguards Learning Centers in the Philippines, Viet Nam, and Indonesia.
- Partnerships with other development partners.

Joint Regional Community of Practice (CoP) on Safeguards *

- Established in 2016 as a coordinating body for development partners’ support to strengthening CSS.
- Goal: bring CSS to international good practice standards and share diagnostic work and ensure alignment of the partners’ procedures on CSS.

*COP partners: ADB, AIIB, Australia’s Department of Foreign Affairs and Trade, the Japan International Cooperation Agency, and the World Bank

India – Power Grid

- Only case in which ADB Board has approved agency-level use of CSS in March 2017
- Power Grid has its own corporate Environmental and Social Policy and Procedures (ESPP) and has the authority to amend to fill gaps

India-National Level Assessment 2016

- National level safeguards review for all 3 SPS safeguards undertaken.
- Sector equivalence assessments (energy, transport and power sectors) conducted for environmental and involuntary resettlement. Shared with the government for review.

Indonesia 2017-19

- State Electricity Company (PLN) can issue decrees to fill gaps.
- COVID-19 and changes in national legal framework required further analysis, which has delayed final consideration.

Sri Lanka 2017-19

- Road Development Authority (RDA) is a state-owned enterprise, but unable to fill equivalence gaps on its own (needs legal changes).
- ADB's further support focused on acceptability, to build RDA safeguards implementation capacity and guidance

Establishing equivalence

- SPS policy principles are comprehensive, and complex, including a range of requirements. A single safeguards policy principle may encompass many aspects and requirements.
- Establishing equivalence is a dynamic process, laws and regulations may change frequently, triggering the need for revising or undertaking additional assessments and public consultations.
- Difficulty in accurate translations of DMC legal frameworks to compare with SPS.

Filling equivalence gaps

- Equivalence gaps can be filled where agencies have the authority to make corporate rules to fill gaps, and where it is possible to agree with the agency on gap filling action plans. In cases where the agency does not have such authority, gap filling measures cannot be implemented.

Acceptability assessments

- Reliable acceptability assessments are not possible due to poor quality of project implementation data and limited data availability. Field audits of projects needed, but take time and cost. Gap filling measures of changes in national legal frameworks may create new gaps in acceptability.

Pursue early and strategic engagement with DMCs

- Early strategic policy dialogue on CSS and capacity needs should be linked to ADB country partnership strategy (CPS) stage to identifying priorities for strengthening CSS.
- Need to undertake comprehensive CSS review as part of country diagnostics - this may serve to establish baseline and identify indicators for future monitoring
- Continue to expand and assist CSS capacity, including national safeguard learning centers, with collaboration between development partners

Strengthen capacity building approach

- Develop new approaches to build project level safeguards capacity at DMCs based on priority sectors identified through the CPS.
- Enhance support through additional guidance materials, training, and tools.

Legal and Institutional Reforms

- Institutional and legal reform are needed to mainstreaming safeguards processes into country systems, this requires long-term engagement.

Progressively strengthen CSS through linkage financing modalities

- **Policy-based lending** (PBL) provides the opportunity to converge national systems towards good practices for safeguards through policy enhancements.
- **Results-based lending** (RBL) apply CSS to a program with ADB safeguards as a compliance benchmark, and **program action plans** to fill gaps between ADB and program systems.
- **Capacity building.** RBL can build safeguards capacity at the level of the institution implementing the RBL, improving practice and introducing enhanced systems.

Exploring potential to assess CSS at the project or standards level.

- **CSS at the project level.** Consider aligning methods for material/functional consistency with WB, AIIB, IDB – similar to equivalence and acceptability, with focus on achieving outcomes to address specific project risks.
- **Use of CSS at the standard level, WB experience.** National labor laws used after relevant international organizations reported successful implementation. Based on this a standard-by-standard approach may be considered in the future.
- **Capacity building.** Gap filling actions, and capacity needs can be linked to the project through legal agreements. This approach has some similarities to the approach already undertaken for RBLs.

SHORT BREAK



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Guiding Questions For Discussion



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Time remaining for the break

05:00



1. What are the advantages and disadvantages of the SPS approach to CSS and what are your recommendations for the new policy?
2. How could ADB better work with its clients and affected communities and CSOs to strengthen CSS and the capacity to use it?
3. Are there good practices outside of MFIs that ADB should be looking at with respect to country safeguard systems?

Session 3:

Moderated Discussion:

Jelson Garcia, Senior Stakeholder Engagement Specialist,
Safeguards Division (SDSS), Sustainable Development and
Climate Change Department (SDCC)



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Sequence for Q&A



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1st sequence – Open for statements and sharing of perspectives and recommendations (raised hands to speak)

2nd sequence – Questions sent in advance (through Zoom registration)

3rd sequence – Questions posted on the chat box and participants raising hands will be called in batches

Quick Poll



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Please rate your satisfaction with today's session:

- 5** – Highly satisfied
- 4** – Somewhat satisfied
- 3** – Neutral
- 2** - Somewhat dissatisfied
- 1** – Very dissatisfied

Quick written feedback via www.menti.com

Please Click the link on the chat box.

Wrap Up and Synthesis

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



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THANK YOU!

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Please send us
your feedback and
suggestions



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