

Experiences on “Policy Dilution” of WB and ADB

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Introduction

- Experience in ADB Safeguard Policy Review
- Experience in WB's new scheme development of "Program for Results Financing (PforR)"

Concept on ADB Safeguard Policy Review

- Concept Paper:
 - “balance a front-loaded procedural approach with one more focused on results during implementation”
 - “greater harmonization with safeguard practices across MFIs...”
- Same as the World Bank?

Dilution in the 2nd Draft safeguard Policy of ADB (1)

- The draft states “ADB will confirm that borrowers/client understand the ADB’s safeguard principles and requirements...”
- What is due diligence? Check due process or understanding?

Dilution in the 2nd Draft safeguard Policy of ADB (2)

- “Safeguard frameworks will fully reflect the policy objectives, and relevant policy principles and SRs”
- “The CSS is equivalent to ADB’s, i.e. the CSS is designed to achieve the objectives and adhere to the applicable policy principles set out in ADB’s SPS”
- “The borrower/client is responsible for....., following all applicable policy principles and SRs”

Dilution in the 2nd Draft safeguard Policy of ADB (3)

- The draft doesn't require:
 - Public Consultations during the early stages of EIA fieldwork and when the draft EIA report is available.
 - The disclosure of subproject's EIA/IEE provided by borrower under sector finance, FI and etc..

Dilution in the 2nd Draft safeguard Policy of ADB (4)

- Key requirements are not included in Policy Principles for program/FI/country system:
 - Qualified and experienced external experts in high risk projects
 - Disclosure of the information during consultation process in a form, manner, and language(s) accessible to the affected people
 - Disclosure of the IR and IPs monitoring reports

Dilution in the Draft PforR (1)

- Criteria described in OP/BP 9.00 are defined as selective consideration points (not requirements). It is unclear how borrowers' social and environmental systems are assessed by the World Bank.
- There is no gap-filling requirement.

Dilution in the Draft PforR (2)

- The requirement on mitigation hierarchy (impacts should be avoided, if avoidance is not feasible, minimization and mitigation should be conducted) in OP 4.12, is excluded in OP 9.00.

Dilution in the Draft PforR (3)

- “high-risk activities will be excluded...: activities that pose a risk of potentially significant and irreversible adverse impacts... (activities classified as Category A under IL)”
- OP 4.01 states “significant adverse environmental impacts that are sensitive, diverse, or unprecedented”

Dilution in the Draft PforR (4)

- The requirement in para 14, OP 4.01 (Public consultation should be initiated at an early stage) is excluded from BP 9.00.
- BP 9.00 requires only “timely dissemination of Program information,” and it is an inconsistent requirement with paras 15 and 17, OP 4.01 (in a timely manner, in an accessible place and in a form and language understandable).

Dilution in the Draft PforR (5)

- BP 9.00 states that “if avoiding the significant conversion of natural habitats is not technically feasible, include measures to mitigate or offset the adverse impacts.”
However, if there is a significant conversion, is Category A, it has to be excluded from the scope.

Dilution in the Draft PforR (6)

- The requirement in para 11, OP 4.12 (Preference to land-based resettlement strategies should be given for displaced persons whose livelihoods are land-based) is excluded from BP 9.00.

What is Policy Dilution?

Lessons Learned

- Shift from “requirement” to “selective approach/consideration points”
- Set selective principles/criteria for ES system assessment at Programs/FIs/Country Systems.
- Delete requirements/steps/timings
- Change definition of key words and categorization
- Declassification of “no go zone”

Key Recommendations for WB Safeguard Policy Review

- Dilution should not be repeated.
- The new policy should be applied for all types of Bank's activities.