

## Special Evaluation Study of Social and Environmental Safeguards at the Asian Development Bank Summary Position Paper

1. The Asian Development Bank (ADB) has three safeguard policies: the Policy on Involuntary Resettlement (1995); the Policy on Indigenous Peoples (1998); and the Environment Policy (2002). However, the rapidly evolving developmental context in which ADB is operating and the experience accumulated thus far from applying the policies to its operations necessitate a review of the policies to enhance their effectiveness and outcome orientation.
2. At project preparation, (i) potentially negative impacts of ADB operations should be identified and (ii) proper mitigation strategies should be developed and costed. During project implementation, these mitigation strategies should be implemented transparently and with due diligence. The diverse needs of stakeholders often lead to conflicting expectations about what environmental and social safeguards should be. It is a major challenge to design safeguard systems that meet the differing demands of all stakeholders.
3. In response to a request in late 2005 from the Development Effectiveness Committee of the Board of Directors of the Asian Development Bank (ADB), the Operations Evaluation Department (OED) has started a Special Evaluation Study of ADB's three safeguard policies.
4. The objectives of OED's evaluation are to
  - provide an independent assessment of ADB's environmental and social safeguards with respect to results on the ground, particularly in terms of actual impacts of ADB-supported projects; and
  - identify key issues needed for the consideration of improvements to the safeguard policies, procedures, and their implementation.
5. This evaluation will complement ADB's pending review of the three safeguard policies, led by the Regional and Sustainable Development Department (RSDD). Among other things, RSDD's review will conduct a series of consultations with key stakeholders starting the second half of 2006.
6. OED's evaluation will aim to find evidence to provide answers to the following questions:
  - Were the social and environmental mitigation measures identified for ADB supported projects adequately implemented, and were they adequate to mitigate the anticipated and unanticipated negative impacts?
  - Did the adoption of the safeguard policies enhance the effectiveness of ADB-supported projects, notably their impact on affected persons and communities?
  - Is there an appropriate balance between the front-end procedural requirements of ADB's safeguard procedures and activities during project implementation?
  - Have ADB's social and environmental safeguard policies and procedures played a role in improving country safeguard systems and capacities?
  - What transaction costs are associated with ADB's social and environmental safeguards system?
  - What issues can be identified for RSDD's pending review, and what improvements to the safeguard procedures and their implementation can be suggested by OED?
7. To be useful for decision making purposes, the evaluation results must be available by mid-2006 in order to feed the findings into RSDD's review which is scheduled to start in the second half of 2006. The main methodologies to be used include (i) desktop research

and review of documents; (ii) consultations with stakeholders including Governments, executing agencies, nongovernment organizations, and other development agencies in three case study countries: India, the People's Republic of China, and the Philippines; (iii) project case studies in the three case study countries, including interviews with selected affected people; (iv) questionnaire surveys for (a) all ADB's operational staff, (b) appraisal mission leaders, and (c) executing agencies of a selected ongoing projects; and (v) interviews with selected directors of ADB's sector divisions, safeguard specialists, and heads of project administrative units.

8. The views on and experiences of stakeholders on the application of the safeguard policies in ADB supported operations would deepen our understanding of various issues. However, OED will not be able to evaluate individual cases, beyond what is planned for the three country studies.

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