

**Compilation of Comments Received to Date  
on ADB's Draft Environment Policy Working Paper (February 2001)**

This Document is a compilation of themes and comments on the Environment Policy Working Paper, February 2001 Draft, including the overview document entitled A Note on the Draft Environment Policy. Stakeholders in member countries submitted comments in writing or attended workshops where they interacted with other and expressed their opinions on the draft policy and ADB's effectiveness in its role. The following themes and comments represent the majority of the stakeholders' responses.

KEY THEMES	COMMENTS
<p><b>1. Integration of Environment into National Policies and/or Sectoral Action Plans</b></p> <p>1.1 Areas of Concern (or questions) on how environment will be integrated into the National Policies and/or Sectoral Action Plans</p> <p>1.2 Areas for Consideration in integrating environment into the National Policies</p>	<p>1.1.1 When should the Environment Policy be linked to a country's structural adjustments? Why is there no relation to the private sector? There is a need to involve not only a segment of the industry but the whole industry.</p> <p>1.1.2 In the planning stage, how will environmental concerns be integrated into the budgeting processes of DMCs? What are the instruments and mechanisms to ensure accelerated flow of resources for the environment?</p> <p>1.2.1 It should provide for a more strengthened execution of the Environmental Law. Environmental laws and requirements should be revised rather than establish new but stricter provisions.</p> <p>1.2.2 The Policy should clearly prescribe that local and national legislation and guidelines are followed in any development project because each set of local and national legislation and guidelines are relevant to each locality. The Policy should define how environmental strategic planning and environmental monitoring should be integrated into the project feasibility study, design and operation so that these are financed by the project.</p> <p>1.2.3 ADB has to develop composite indicators and targets. It needs to present conditions that will enhance the improvement of the total policy system of DMCs. The UNDP socio-economic indicators can be used as reference.</p> <p>1.2.4 It should provide stronger ecology and environmental guidelines into EIA studies.</p>

KEY THEMES	COMMENTS
<p><b>2. Integration of all sectoral policies/concerns in ADB's Policy</b></p> <p>2.1 the Policy needs to cut across all sector policies in the country – financial, economic, infrastructure, education, agriculture, culture, and health,</p> <p>2.2 The Policy needs to prescribe how environmental issues should be linked across the sectors.</p>	<p>2.1.1 It should focus on environmental intervention for health promotion like adequate and affordable sanitation, availability of safe and potable drinking water, or providing help related to behavioral changes resulting from improved health, adequate shelter, and proper management of fresh water resources.</p> <p>2.1.2 ADB should look into what is needed and what will truly help the needy, both rural and urban poor. Initiatives should not be started without integrating the real needs of the poor and marginalized into the actions planned.</p> <p>2.2.1 It should establish the rules and regulations integrating water resources, agricultural development, forestry, natural resources conservation including wet land moors, and biodiversity preservation</p> <p>2.2.2 ADB can collaborate with groups concerned with addressing basic sanitation and water problems in communities.</p> <p>2.2.3 It should include quality assurance, like safe and potable drinking water. For consideration are key environmental concerns reflecting the regional priorities, like depletion of mineral resources, environmental degradation, water pollution due to effluent of industries, salinity intrusion into the rivers, application of fertilizers, income sources in conflict with environmental conservation, like eco/nature tourism.</p> <p>2.2.4 Conserve forest, soil, water, mining, marine and coastal resources. This approach will help increase income and sources for employment in a sustainable manner, prevent land degradation, and improve the health of the rural and urban communities.</p>

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<p data-bbox="69 261 951 342">3. <b>Policy Management and Policy Development</b> – Areas of Concern:</p> <p data-bbox="69 342 951 797">3.1 Environmental Governance</p> <p data-bbox="69 797 951 1205">3.2 Poverty Alleviation</p>	<p data-bbox="951 261 2051 586">3.1.1 The Policy needs to put more emphasis on regional and global environmental governance, like directing more funds to institutional capacity building, increased access to information through environmental education and awareness building even of international treaties/protocols/conventions, regular monitoring and evaluation by the local community to determine environmental compliance.</p> <p data-bbox="951 586 2051 732">3.1.2 The document needs to have a conceptual framework on the relationship between poverty and environmental protection. An environmental situational analysis should be performed in each member country. It should include a statement that the poor should be better off as a result of such activities.</p> <p data-bbox="951 732 2051 797">3.1.3 It should integrate target environmental components (TECS).</p> <p data-bbox="951 797 2051 878">3.2.1 A pro-poor, labor-intensive approach should be adopted for implementation of environmentally sound development projects.</p> <p data-bbox="951 878 2051 959">3.2.2 In addressing poverty reduction, the Policy document should include the marginalized small and medium enterprises (SMEs) and the households.</p> <p data-bbox="951 959 2051 1057">3.2.3 The Policy should include a statement or a mechanism to give priority to the poor, to enable them to have access to resources, to social equity, and microfinance.</p> <p data-bbox="951 1057 2051 1205">3.2.4 With the introduction of the Environment Policy, will the change be at the project level? Will local expertise be given priority in environmental studies? Or will indigenous capacity using indigenous knowledge be developed?</p>

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3.3 ADB-level Concerns	<p>3.3.1 Better coordination or cooperation with other donor agencies/multilateral development banks would make ADB projects/activities in the DMCs more appropriate and beneficial.</p> <p>3.3.2 Through the Policy, ADB should establish partnerships with other multilateral and bilateral agencies, as well as, with regional organizations to share information, understand the issues in the proper context to optimize resources, and to avoid duplication of efforts. Thus, the Policy needs to incorporate and define a common sustainable development framework harmonized with other donor institutions.</p> <p>3.3.3 The Policy should consider recommendations made in international fora, meetings, and the like.</p> <p>3.3.4 ADB needs to shift its paradigm from state-based natural resources management (NRM) to community-based NRM to support the perspective of the poor and marginalized.</p> <p>3.3.5 What are the mechanisms to ensure internal consistency within ADB?</p>

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<p><b>4. Improving the Capacities of Institutions and Civil Society</b></p> <p>4.1 Capacity-Building Target Groups</p>	<p>4.1.1 The capacity – building areas the Policy should include are: (1) The required capacity on the environmental aspect at all levels of the professional educational system in both state-owned and private educational institutions; (2) The capacity-building component on the environmental aspects for the national, sectoral and local agency levels; (3) The capacity building of the poor and marginalized, taking into consideration the limitations of local capabilities, i.e. weak in project implementation.</p> <p>4.1.2 Capacity building is a major need in the area of enforcement and implementation of national regulations and policies – both individual and collective – supported by sufficient resources and effective processes.</p> <p>4.1.3 Capacity building among the local counterparts with focus on enforcement of laws, policies and the monitoring and evaluation of projects/activities are important.</p> <p>4.1.4 Because of the salient role of NGOs, CBOs, and other civil society organizations in the implementation of the EIS process and in the awareness building process, the ADB is encouraged to enhance/build the capabilities of these groups, especially the marginalized NGOs.</p>

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4.2 Capacity-Building Approaches/Strategies	<p>4.2.1 It should include provisions for environmental education, conservation training and awareness programs and monitoring of the biggest polluters and contributors to environmental degradation. The beneficiaries should be taught custodianship of their natural resources and the environment.</p> <p>4.2.2 The Policy needs to include a provision defining the ADB's contribution to creating effective and relevant strategies for human resource development – capacity building – and promoting activities that will raise commitment to and generate financial support for environmental action in the region.</p> <p>4.2.3 Educating the poor on the importance of a healthy environment – Environmental education</p> <p>4.2.4 EIA is one area for further capability enhancement. A suggested approach is for ADB to include in the Terms of Reference of its technical assistance the participation of at least one national or in-country regional NGO as early as the project design stage, indicating a minimum budget</p> <p>4.2.5 Include approaches that will gradually build the communities' confidence, ownership, and participation in natural resources development and management</p> <p>4.2.6 Its capacity-building projects and loans should be directed to empower the poor's capabilities to eventually manage their environment and natural resources in a sustainable and independent manner.</p> <p>4.2.7 Greater emphasis on knowledge and skills sharing and continued education awareness is recommended to eliminate No. 2 policy failure. It is important that the poor and marginalized be made more aware and be provided a better understanding of the relationship environmental factors have with economic and social factors.</p>



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5.3 Approach	<p>5.3.1 ADB can approach this in two ways: (1) through partnership with NGOs and civil society organizations, and (2) through the stakeholders directly.</p> <p>5.3.2 NGO participation or public participation should be made part of the EIS process at the very start. Thus, public awareness on the sustainable use of natural resources can be realized.</p> <p>5.3.3 NGOs could be utilized to implement some of ADB's environmental policies and initiatives. They can be tapped to undertake community development, information sharing and education work, capacity-building efforts, health improvement, and income-generating activities.</p> <p>5.3.4 It can include an approach to disseminate information on matters that could be done by the community so they can actively participate in managing the environment in a self-sufficient manner.</p>

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<p><b>6. Implementation of the Policy</b></p> <p>6.1 Addressing Environmental concerns</p>	<p>6.1.1 Community-based natural resources management should be included.</p> <p>6.1.2 EIAs have to be backed by environmental management strategy and plan and a vigorous monitoring scheme that can address environment issues. It should consider highlighting adverse impacts of climate change, with emphasis on long-term adaptation aspects.</p> <p>6.1.3 Priority should be given to environmental research.</p> <p>6.1.4 The policy should strongly consider community income generating programs that both support and enhance the sustainable use and replenishment of the poor's natural resource bases.</p> <p>6.1.5 What are the instruments and mechanisms to ensure accelerated flow of resources for the environment?</p> <p>6.1.6 It should emphasize use of and funding for appropriate technology, like technology for clean water supply and hygienic sanitation, clean production, and auditing.</p> <p>6.1.7 The Policy should focus not only Asia but on Asia and Pacific. The Pacific region deserves a specific ADB policy on the environment. Part of the institutional strengthening aspect of the Policy is to further strengthen the collaboration of ADB with inter-governmental agencies in the Asia Pacific region, like SPREP, GEF, UNDP, FAO, and the like.</p> <p>6.1.8 The policy needs to include as provision the degree of influence ADB can exert to encourage national governments to genuinely promote and enforce relevant environmental requirements.</p>

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6.2 Addressing Other Sectoral Concerns	<p>6.2.1 Technology should be added (as a fifth theme). It should mention ADB's support for appropriate technology development and technology transfer. It should specify the technology's delivery mechanism.</p> <p>6.2.2 Rural development needs to be covered. It should put priority on rural sensitivities covering a range of issues like managing forests, reforestation, conserving biodiversity, developing national parks, introducing pest management, soil conservation, watershed rehabilitation, and integrated river basin management.</p> <p>6.2.3 Market-based instruments should be included.</p> <p>6.2.4 It should also support environmental projects in the urban areas.</p> <p>6.2.5 The four areas of attention will be effective only when poverty alleviation measures are undertaken.</p>

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6.3 Approach/Strategy	<p>6.3.1 Through the Policy, ADB is expected to assist DMCs in the development of ecological-economic villages in the rural areas and improve rural life. It is expected to work with local governments in establishing the cost benefit evaluation of the environmental aspect of projects.</p> <p>6.3.2 At the same time, it should incorporate appropriate tools, i.e. environmental instruments, systems, methodologies that will translate such policies into actions. These tools and methodologies should take into account the following concerns: (1) How will other stakeholders participate? (2) How will it increase private/informal sectors involvement and mobilize civil society? (3) Why is there a need to link macro-economic reforms with the Policy?</p> <p>6.3.3 It needs to highlight/include (1) mechanisms for reduction in air, water, and soil pollution along with the enforcement of environmental laws; (2) introduction of cleaner production practices; and (3) the responsibilities of stakeholders, i.e. obligations of producers to undertake waste treatment.</p> <p>6.3.4 EIAs, EIS, local community consultations, more in-depth impact evaluation of projects on the communities need to be included.</p> <p>6.3.5 The Policy should include mechanisms based on needs or identified at the grass-roots level. It should address concerns like: (1) Will there be change in portfolio with poverty alleviation as the new thrust; (2) Are not the environmental concerns already integrated in the overarching poverty reduction strategy; (3) Would the process be a barrier for poor countries to obtain donor funding?</p> <p>6.3.6 The problem lies not in the policy <i>per se</i> but in its poor implementation.</p> <p>6.3.7 While the WB conducts policy-driven approaches, ADB should conduct more practical approaches.</p>

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Continuation of Approaches/Strategies	6.3.8 The Policy should reflect the idea that ADB thinks “small” and understands the conditions at the community level. It should include provisions and/or mechanisms, like localizing standards to ensure ground-level compliance, upon which the local people (government, other institutions, communities, and individuals) can take real ownership of the policy and not merely lip service to attract funds. More importantly, the Policy should provide for the involvement of the poor in projects for them to take ownership of said projects. It should also provide for means to establish partnership with provincial and local governments.
<b>7. Environmental Sustainability</b>	<p>7.1 The Policy can include environmental sustainability as a factor in project planning and a basis for evaluation of project loans. The Policy’s overall goals should be made part of a long term action plan anchored on sustainable economic growth, i.e. sustainable agriculture.</p> <p>7.2 The two policy failures enumerated under paragraph 2, Introduction, are very real. Fortunately, due to awareness raising programs over the past years, priority is now given to environmental protection or sustainable management of natural resources.</p>
<b>8. Monitoring and Compliance</b>	
7.1 Coverage	<p>7.1.1 It should include a monitoring system of the policy implementation to evaluate its effectiveness.</p> <p>7.1.2 The Policy should be specific on the Bank’s monitoring and follow-up or mitigation after the project is completed to ensure that environmental objectives are actually achieved.</p> <p>7.1.3 It should include third party monitoring and penalties to borrowers for non-compliance during construction and operation</p>

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	7.1.4 Long-term on-site presence and monitoring of projects should also be considered. ADB should adopt strategic environmental monitoring. Inclusion of a third party post project evaluation is suggested
7.2 Prerequisite(s)	7.2.1 How can monitoring be done if there are no funds? 7.2.2 The Policy should provide provisions to police itself in implementing compliance monitoring of its projects and in enforcing the environmental and social requirements of projects.
<b>9. Prevention</b>	8.1 Environmental management should be seen more comprehensively to include not only pollution control but natural resources management and the impact of globalization.
<b>10. Strategic Environmental Assessment</b>	9.1 There is a need to clarify the relevance between SEA and sectoral policies. Sectoral policies should be developed in advance. SEAs should become integral to all planning procedures, with national planning departments taking the lead. 9.2 Current language sounds too timid.
<b>11. Project supervision and inspection</b>	10.1 This should be conducted at construction and operation as well as establishment stages.
<b>12. Poor are not always polluters</b>	11.1 The assumption that poverty leads to environmental damage is often false. Rich are main polluters in global sense; poor are often victims.
<b>13. The Allocation, Management, and Control of Loans</b>	12.1 How can the poor access funds at low rates? 12.2 ADB can be more effective if the Policy provides a provision requiring as prerequisite to ADB loans the presence of a strong environmental impact assessment procedure at the national level.

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14. Fiscal Incentives	
13.1 Areas for consideration:	<p>13.1.1 How to capitalize funds from the private sector and mobilize them toward environment-friendly decision-making? Thus, the policy needs to define the role of the private sector/corporate sector distinctly from the other stakeholders.</p> <p>13.1.2 Under “Operational Principles”, can the borrowers expect to have access to funds</p> <p>13.1.3 The emphasis on “precautionary principle” and “resource rents” may stifle the development of small businesses in communities.</p> <p>13.1.4 Are export credit guarantees included? Will the same environmental standards be applied to these?</p>
<p>14. Issues needing greater emphasis</p> <p>It should also look into the micro level project aspects in terms of the following:</p> <p>14.1 Environmental Concerns:</p>	<ul style="list-style-type: none"> <li>• Noise pollution – especially traffic</li> <li>• Hazardous waste</li> <li>• POPS, ODS, ERS</li> <li>• Safeguards on GMOs</li> <li>• Cross sectoral resource management</li> <li>• Mitigation of trans-boundary issues</li> <li>• Natural Disasters</li> <li>• Issues related to arsenic contamination.</li> <li>• Habitat enhancement</li> <li>• It should support forestry ecological and bio-diversity conservation as well as pollution prevention of water sources</li> </ul>

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14.2 Human environmental issues	<ul style="list-style-type: none"> <li>• Human and garbage waste disposal – Need to explore alternative measures other than changing human waste disposal sites; funding assistance for waste treatment and reduction.</li> <li>• Drinking water, sanitation, and storm water drainage to sustain the ecology of urban livelihood.</li> <li>• Since poverty is the worst polluter, do the poor have to pay?</li> </ul>
14.3 Socio-economic factors behind poverty	<ul style="list-style-type: none"> <li>• Protection of customary rights</li> <li>• It should reconsider the subsidy policy.</li> </ul>
15. Objectives of ADB	<p>ADB’s objective in coming up with an Environment Policy is subject to questions from the DMCs. These questions are as follows:</p> <p>16.1 ADB’s strict/stringent standards can be taken to mean as an imposition on DMCs. In ADB projects, what is the certainty that “strings” attached to the project may not lead to environmental destruction? Imposition of conditions of the Policy may conflict with the national and socio-economic policies/conditions in the DMCs. The “Key Operational Principles” indicate a first world bias, thus the question of implementability in developing countries arises.</p> <p>16.2 The “Key Operational Principles” indicate a first world bias, thus the question of implementability in developing countries arises.</p>