

MANAGEMENT RESPONSE TO THE SPECIAL EVALUATION STUDY ON INDIGENOUS PEOPLES SAFEGUARDS

On 16 March 2007, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

I. General Comments

1. Management welcomes OED's Special Evaluation Study (SES) on Indigenous Peoples Safeguards and appreciates its efforts to complete the study in a reasonable time frame. As requested by OED, Management's response focuses on the final recommendations of the SES.

2. The IP Policy continues to be relevant to ADB's development objectives and to the safeguarding of IP interests in ADB financed projects. It is recognized that the effectiveness of IP policy instruments could be enhanced, and this will be addressed in the Safeguard Policy Update (SPU). In this regard, we believe that, despite its methodological limitations, the SES highlights some relevant issues and recommendations that can usefully be considered in the context of the SPU and its consultation process.

II. Comments on Recommendations

Recommendation 1: "The Safeguard Policy Update should clarify the areas that cause misunderstanding in the 1998 IP Policy and address the policy drift related to the OM Section F3 and IP practice in ADB" (para 176)

3. Management agrees that there is a compelling need to ensure clarity in the IP Policy. Management, however, disagrees with the suggestion that there is a "policy drift" in the provisions of Operation Manual Section F3. In terms of application of IP definition, scope of the Policy and consultation process for IP, recent versions of the OM F3 sought to further clarify some ambiguities in the Policy while maintaining consistency with its original intent and objectives. The IP Policy and OM F3 recognize the variety of definitions and contexts that exist, and the difficulty of arriving at a uniform definition of IP in Asia. Both the Policy and OM use "IP" as a generic term, providing guidance on how to identify IPs for the purpose of policy application, based on the characteristics of IPs and the specific circumstances under which IPs are vulnerable to external development interventions. Management intends to ensure that the updated safeguard policies to be submitted for Board approval provide clarity on definitions, scope, objectives, and principles.

Recommendation 2: "ADB should set goals for the development of IP and IP strategies for some DMCs where ADB's forward program involves considerable interaction with IP" (para 177)

4. Management agrees that ADB should address IP development needs more broadly, in addition to addressing IP issues as project-specific safeguards. ADB already provides strategic assistance to address IP's broader

socioeconomic and cultural needs and concerns as detailed in paragraphs 138 – 146. Although beyond the scope of the SPU, Management recognizes that the adequacy and significance of the assistance may still need to be further enhanced including the need to consider IP development when preparing Country Partnership and Strategies.

Recommendation 3: “If ADB maintains a stand-alone IP policy, it should include a results-based framework—distinguishing desired impact, outcomes, outputs, activities, and inputs, both at macro (country) and at micro (project) level” (para 178)

5. Management agrees that a results-based framework is relevant and merits consideration.

Recommendation 4: “A sequential approach to policy development and capacity building in IP safeguards should be adopted, focusing on a few DMCs first” (para 179)

6. Management agrees with the principle of a sequential approach to policy and capacity development. We recognize that many DMCs differ considerably in their legal, policy and institutional framework for IP. As part of the ongoing RETA 6285: Strengthening Country Systems, we are in the process of identifying an approach for assessing equivalence between current ADB Policy and country systems, as well as identifying gaps at country and/or sector levels for targeted capacity building.

Recommendation 5: “IPDPs should be prepared for projects that have clear risks for IP, which are capable of being mitigated through project interventions” and “IPDPs would be prepared only in cases where risks to IP are not covered in the resettlement and environment policies” (para 180)

7. While the existing Policy requires the preparation of an IPDP for projects with significant impacts on IPs, both positive and negative, there can be differing perspectives as to whether IPDPs should be formulated only for projects with negative impacts. This recommendation will merit further discussion during the SPU.

8. While Management agrees that duplication or overlapping of mitigation measures should be avoided, we disagree that a blanket policy statement be made on not requiring IPDPs for projects when the issues to be addressed are primarily resettlement and/or environment in nature. We believe that in many project areas where IPs are involved, greater social risks and impacts are evident and hence an IPDP can be deemed necessary to maintain an holistic approach. Management agrees that the issue warrants further review in the SPU.

Recommendation 6: “Conceptual work and case study work is needed to lay out the particular risks for IP associated with different categories of investments, as there is currently a high degree of divergence in approaches to the definition of these risks” (para 181)

9. Management agrees with this recommendation. The updated IP Handbook will include “typical” scenarios or sector-specific “triggers” that help

identify cultural, social and environmental impacts and risks on IPs, including land and resettlement impacts.

Recommendation 7: “The safeguard policy update should describe the criterion to be used to determine whether the amount of consultation and broad communication support for a project and mitigation measures is adequate and in what circumstances ADB endorses the principle of free, prior and informed consent for the project from the side of IP “ (para 182)

10. Consultation and disclosure requirements will be reviewed as part of the SPU, along with assessment of practices applied by other multilateral development banks.

Recommendation 8: “To complement the safeguard policy update, there is a need for an IP policy implementation plan that reconciles the policy aspirations with organizational, budget, and human resources implications” (para 183)

11. Management agrees that the SPU should include a realistic assessment of resource requirements and their optimal allocation. The SPU will further study the suggestions in paragraph 183, specifically the human resource implications and the allocation of responsibilities for monitoring compliance and evaluation between RSDD, ODs, and RMs.