

## **U.S. Position on the African Development Bank Proposal for an Integrated Safeguards System (March 2012 version)**

The U.S. welcomes the African Development Bank's proposed enhancements to its safeguards, such as broadened coverage to include private, public and policy-based operations, and development of tracking systems to ensure safeguard implementation throughout the project cycle. Developing a new Integrated Safeguards System (ISS) is important for the Bank, both in light of its current and anticipated portfolio, and because best practice in environmental and social safeguards, including among the MDBs continues to evolve.

The U.S. believes that the overarching guidance from the Board should be that there should be no dilution from the substance of the current safeguards measures. This is a clear commitment in the World Bank process and it should also be the case at the AfDB.

Developing and implementing a new safeguards system is a complex process that, ideally, will result in strong buy-in and support from the full range of stakeholders. Accordingly, the U.S. thinks it is critical to the success of any new system that there be strong public consultations supporting its development. The U.S. supports the Bank's disclosing the draft policy statement and operational safeguards for comment by stakeholders, and encourages the Bank to conduct a strong public consultation process which is carefully planned and adequately funded. The consultation should be a constructive conversation between the Bank and interested stakeholders. The U.S. requests that management share the consultation plans with CODE as soon as they are available.

The U.S. would also like to highlight some of its initial views on the ISS:

- With respect to OS1, on environmental and social assessment, the U.S. welcomes the Bank's comprehensive approach and its inclusion of assessment of climate change and vulnerability. The U.S. urges Management to explicitly require assessment of cumulative impacts. The U.S. welcomes the Bank's commitment to help countries strengthen their own systems for environmental, climate and social risk management, and would like to see clearer language around the relationship between the Bank's standards and a country's standards.
- As stated on many occasions, the U.S. can only support Category 1 projects (whether public or private) which have had the social and environmental assessments disclosed 120 days prior to the Board approval. The U.S. would like to see these thresholds explicitly articulated and adopted in practice.
- The U.S. welcomes the proposed approach for Category 4 operations, involving lending to Financial Intermediaries. The U.S. requests that the approach go further in transparency and good governance by requiring that subproject EIAs for Category 1 projects be publicly disclosed 120 days in advance of the decision to go forward.
- With respect to OS2, on involuntary resettlement, the U.S. welcomes inclusion of both physical and economic displacement.

- With respect to OS3, on biodiversity and ecosystem services, the U.S. is very concerned about how the Bank's proposals may impact critical habitats.
- With respect to Indigenous Peoples, the U.S. recommends that the AfDB meet best practice standards on Indigenous Peoples which we suggest be articulated in a separate Operational Safeguard on Indigenous Peoples. We believe current "best practices" are reflected in the World Bank's Indigenous People's policy (OP 4.10). Adopting the substance of the World Bank policy has the added virtue of already being in use by African governments and would therefore eliminate any administrative burden on African governments that would result from having to learn two different policies.

Lastly, ensuring adequate human resource capacity to implement the ISS will be key. The U.S. asks that Management provide to the Bank's Committee on Development Effectiveness an estimate of the additional staff resources needed to carry out the ISS and clarify to what extent these incremental resources have already been taken into account in the 2012-2014 budget.