AFRICAN DEVELOPMENT BANK GROUP

CONSULTATION AND COMMUNICATION PLAN
FOR THE DESIGN OF AN INTEGRATED SAFEGUARDS SYSTEM
AND OPERATIONAL SAFEGUARDS

JANUARY 2012

Questions on this document should be referred to:

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<th>Name</th>
<th>Position</th>
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<tbody>
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Quality Assurance and Results Department
Compliance and Safeguards Division
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I. SCOPE OF THE CONSULTATIONS

1. The African Development Bank (“The Bank”) is in the process of revising and updating its environmental and social safeguards system and procedures. As part of this process, the Bank will be consulting with a broad range of stakeholders with a view to improving the quality and relevance of its Integrated Safeguard Systems.

2. The purpose of this paper is to set out the Bank’s consultation plans so that different categories of stakeholders clearly understand what opportunities are available for engagement in the design of the Bank’s Integrated Safeguard Systems.

3. The Integrated Safeguard System is composed of three inter-related components:
   - *Operational Safeguards* - five brief and focused policy statements that clearly set out the operational requirements that Bank financed operations must comply with.
   - *Environmental and Social Assessment Procedures (ESAP)* - ESAP provides information on the specific procedures that the Bank and its clients should follow to ensure that Bank operations meet the requirements in the Operational Safeguards at each stage of the Bank’s project cycle.
   - *Guidelines* - provide technical guidance relating to specific methodological approaches or standards and management measures relevant to meeting the Operational Safeguards.

4. The consultation plans presented in this paper concern only the five Operational Safeguards:
   - OS1: Environmental and Social Assessment (the umbrella Operational Safeguard).
   - OS2: Involuntary Resettlement
   - OS3: Biodiversity and Ecosystems.
   - OS4: Pollution Prevention and Control.
   - OS5: Labour Conditions.

II. GUIDING PRINCIPLES

5. The Bank is undertaking the consultations with three objectives in mind:
   - Improve the overall quality and relevance of its Integrated Safeguard Systems,
   - Promote a shared understanding of safeguard objectives, principles and requirements,
   - Guide the formulation of the safeguard policy statement.

6. In pursuing these objectives, the Bank’s consultations will be guided by the following principles:
   - Transparency in documenting and reporting results of consultations by posting participants’ comments and staff responses on the Bank’s website.
   - Broad participation by reaching a diverse range of stakeholders, including AfDB’s member country governments, private sector, NGOs, CSOs, academia, project affected persons, indigenous peoples’ representatives, experts and partner development institutions.
ISS Consultation Plan

- Wide dissemination of information and feedback channels via AfDB’s website and email notification, translation of policy documents, and face-to-face discussion at consultation sessions.

- Accessibility to stakeholders of both the written information in Bank’s working languages and details on the consultation process via web publishing and email system.

III. SEQUENCE AND STRUCTURE OF CONSULTATIONS

7. The current version of the Operational Safeguards has already benefitted from extensive internal consultations with Bank staff. The proposed consultative process will take place at two distinct but interrelated levels:

- **Expert Panel Reviews** - Consultations will continue with international partner institutions such as Conservation International, Worldwide Fund for Nature, International Trade Union Commission and other Multilateral Development Banks that have already contributed to the peer review of preliminary drafts;

- **Regional consultations** - with development partners as well as with Civil Society, and Non-Governmental Organisations, the private sector and African finance institutions, including Regional Development Banks, academic and specialised technical institutions. The Bank will ensure that adequate disclosure of relevant documents is done as well as proper planning of the management of these sessions in a way to produce expected results before engaging in the consultation process.

- **Disclosure** - Copies of the Integrated Safeguards System will be posted on the web at least three weeks before the commencement of the consultations and also sent to various identified stakeholder groups.

IV. EXPERT PANEL REVIEWS

8. Some expert panel reviews have already taken place during the internal consultations, in that we have integrated best practices into the current draft. Preliminary drafts of the Integrated Safeguards System were presented to key international organizations such as the World Wildlife Fund for Nature (WWF), Conservation International (CI, USA), International Trade Union Commission (ITUC, USA) and the World Bank. Their comments and suggestions were incorporated in the draft submitted to Opscom and the Board.

9. The current draft of the Integrated Safeguards System ISS and related Operational Safeguards OS draft has been presented to the Multilateral Finance Institutions’ Working Group on Environment (MFI-WGE) last December in Thessaloniki, Greece. The AfDB will be hosting and organizing the next meeting of the Multilateral Finance Institutions’ Working Group on Environment in Spring 2012. Bilateral development cooperation agencies will be invited as observers to foster and sustain the harmonization efforts which are currently underway especially on the definition and due diligence requirements of Financial Intermediaries.

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1 Additional details on internal consultations are provided in Annex 2.
V. REGIONAL CONSULTATIONS

10. Five regional consultations will be organized in 2012 across Africa with a view to consulting a broad range of stakeholders on the Bank’s Operational Safeguards. The consultations will be open to government officials, civil society organizations, labor organizations, academia, regional applied research institutions, and private sector representatives.

Box 1: Timetable for regional consultations

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<thead>
<tr>
<th>Regions</th>
<th>Location</th>
<th>Regional consultations’ date</th>
<th>Feedback report</th>
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11. The consultations will each last three days and will be held in easy accessible capital cities to facilitate travel and participation of the different stakeholders and to ensure the presence of key Bank and government authorities.

12. The consultations will run two plenary introductory and closing sessions separated by three sub-sessions involving mixed groups of NGO and CSO, Private sector, Regional Development Banks and central and decentralized governments.

13. DAY ONE will be devoted to the presentation of the process of designing the Integrated Safeguards System (ISS) and the various outputs (the policy statement and operational safeguards).

14. DAY TWO, participants will work in three separate sessions:
   - **Session 1: Alignment with Country Systems**: This session will cover issues related to convergence/divergence in the requirements and management of the environmental assessment process between the Integrated Safeguards System which will govern Bank interventions and country systems.
   - **Session 2: Social development issues** including resettlement, gender, indigenous people, labor standards, human rights, consultation and disclosure in terms of the adoption as mandatory of their principles and associated constraints and benefits with regard to the decision-making on appropriate and adequate level of due diligence for Bank-funded operations.
   - **Session 3: Environment and biodiversity issues** including critical habitats, mainstreaming of climate change into the Integrated Safeguards System vs. adoption of a standalone safeguard on climate change.

15. The views and contributions of a wide range of stakeholders will be used with the objectives of 1) improving the content and clarity of the current proposal, 2) increasing operational efficiency, 3) ensuring appropriation by borrowers and 4) establishing a mechanism for compliance monitoring and reporting.

16. DAY THREE, participants will reconvene at a plenary session during which the rapporteurs of the different sessions will report the key issues back to the participants. The
various recommendations will then be discussed and consolidated as an input to the consultation report for wide dissemination to interested audiences.

17. The regional consultations will be chaired by Regional Directors, country office representatives and their national counterparts in the relevant country’s ministries of finance and environment and will be facilitated by the Bank’s Compliance and Safeguards Division Manager, Safeguard policy officers and supplemental consultancy expertise. It will also seek the attendance and active participation of Board members.

18. Proceedings of the regional consultations will be appropriately regrouped into the defined thematics, recorded through tracking of Q&As and disclosed by web-posting, emailing and compilation of a complete consultation report for distribution as an annex to the ISS/OS document to Boards, Management and other stakeholders.

19. End of consultation process is fixed for July 30, 2012 after a six month disclosure period.

VI. TIMELINES

20. From July 2012 onward, the design of the Integrated Safeguards System will be run in parallel with the finalization of the revision of ESAP and development of thematic and sectoral guidelines in order to ensure consistency between the policy aspects and procedural requirements for their effective implementation. Activities for completing the exercise will include:

- Disclosure of draft ESAP and peer review of studies of Involuntary Resettlement and Indigenous People, from February to July 2012
- Integration of recommendations on country systems, Involuntary Resettlement and Indigenous People into the Integrated Safeguards System and review of ESAP and guidelines in August and September 2012
- Reporting back to CODE the Integrated Safeguards System, new ESAP and Guidelines by October 2012

21. In relation with the activities stated above, necessary actions in finalizing the design of the Integrated Safeguard System are provided in Box 2 below:

Box 2: Timeline and actions in finalizing the Integrated Safeguards System

<table>
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<tr>
<th>Activity</th>
<th>Date</th>
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<tr>
<td>Share feedback report and consultation plan with CODE</td>
<td>January, 2012</td>
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<td>Publish the ISS/OS in Bank external Website for comments</td>
<td>January</td>
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<tr>
<td>Send ISS document to RRCs, field offices and key external partners</td>
<td>February</td>
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<td>Regional consultations</td>
<td>27 February to 30 June</td>
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<td>Full Consultations’ Report</td>
<td>15 August</td>
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<td>Synthesis report and final ISS document produced</td>
<td>30 August</td>
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<tr>
<td>Translation and editing</td>
<td>September</td>
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<tr>
<td>Report back to CODE</td>
<td>October</td>
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<td>Full Board presentation</td>
<td>December</td>
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African Development Bank seeks comments on its proposed Integrated Safeguards System (ISS)

February 2012: The AfDB is seeking comments from civil society, officials of member countries, specialized and academic institutions, regional development banks, private sector and economic communities on its new Integrated Safeguards System (ISS) which will be a cornerstone to the sustainability and compliance of operations to be funded by the Bank for the benefit of African Development.

The ISS will cover the full range of lending instruments for both public and private sectors as well as specify the use of Strategic Environmental and Social Assessment (SESA) for policy lending and of Environmental and Social Impact Assessment (ESIA) for operations.

The revised safeguard policy statement will update and organize the safeguard system currently in use. It will be largely based on existing but scattered cross-cutting policies and procedures, but will also include the formulation of additional new safeguards, in order to:

- Unify and simplify the policy base and reduce transaction costs (one-stop shop)
- Ensure efficient/effective management of project risks and impacts
- Integrate emerging issues such as climate change and ecosystem services
- Separate safeguards issues from aspirational development objectives
- Align the safeguards with Bank strategies and Country Systems
- Harmonize with counterpart MDBs with whom The Bank co-finances projects.

Comments are sought on the following:

**Alignment with Country Systems**, on issues related to convergence/divergence in the requirements and management of the environmental assessment process between the Integrated Safeguards System which will govern Bank interventions and country systems,

**Social development issues** including resettlement, gender, indigenous people, labor standards, human rights, consultation and disclosure in terms of the adoption as mandatory of their principles and associated constraints and benefits with regard to the decision-making on appropriate and adequate level of due diligence for Bank-funded operations.

**Environment and biodiversity issues** including critical habitats, mainstreaming of climate change into the Integrated Safeguards System vs. adoption of a standalone safeguard on climate change.

The Bank will also organize 5 Regional consultations in Africa’s 5 regions (East, West, North, South and Central Africa) to solicit inputs from various stakeholders of African Development including policymakers and practitioners.

The consultations sessions will be facilitated by appropriate Bank staff. It will also seek the active participation of Board members.

Proceedings of the regional Consultations will be appropriately summarized into defined themes, recorded through tracking of Q&As and disclosed via web-posting, emailing and compilation of a complete consultation report for distribution as an annex to the ISS document to the Boards of the Bank, Senior Management and other stakeholders including.
The Integrated Safeguards System and new Operational Safeguards are publicly available and are now online for a 6-month period until 30 August 2012.

Copies may be requested at safeguards@afdb.org

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ANNEX 2: INTERNAL BANKWIDE CONSULTATIONS

This level of consultation is very important as it would help secure institutional ownership and commitment on both the process of safeguard design and the Integrated Safeguards System including Operational Safeguards.

A Technical Advisory Group was formed with representatives/focal points from different departments, and three International Consultative Meetings and workshops were held. Their main objectives were to expose Bank staff to international experts who can provide guidance and present the state of the art on specific safeguards related issues:

- **March 2011**—Strategic Environmental and Social Assessment (SESA) – Working group International Consultative Meeting- For policy based lending operations; Climate change development effectiveness round table
- **May 2011**—Biodiversity Working Group Safeguarding Biodiversity and ecosystem services- Towards an African Green Economy
- **June 2011**—know the hidden risks – make the healthier choice (workshop on Health).

The ICMs were also an opportunity to open the decision process to African CSOs and their international counterparts on key commitments in the ISS document. Discussions also covered the identification of strategic environmental and social issues which present some specificity for Africa as well as the operational implications of adopting, strengthening and effectively implementing the principles of Strategic Environmental and Social Assessment (SESA) and Biodiversity and ecosystem services.

The internal consultation was extended to field offices in conjunction with outreach activities co-organized with the Compliance Review and Mediation Unit (CRMU) in order to capture their views and experiences. Five (5) regional Safeguards and Climate Change training sessions have been organized to expose field offices and regional member countries to the Integrated Safeguards System.

These efforts were further complemented by various awareness raising activities, organized mainly in cooperation with OSAN, which focused on demonstrating the importance of compliance and implementation of environmental management plans in its portfolio. This process will be extended to other sector departments, with particular emphasis on transport and energy, and will be reconvened for the benefit of Bank staff in regional and national offices.