



Submission for the Safeguard Review of the Asian Development Bank (ADB)

Involuntary Resettlement

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Introduction: The existing policy and its shortcomings

Involuntary resettlement, displacement and loss of livelihood for affected communities always have been the most prominent negative effects of big infrastructure development projects and programs. It is the duty of Development Banks to avoid resettlement and where it is unavoidable to mitigate the negative effects. Any resettlement activity must result in an improvement of livelihood for the affected people.

The existing Policy on Involuntary Resettlement and Land Acquisition has some severe shortcomings.

- **Scope of displacements:** The 2009 Safeguard Policy Update already narrowed the scope physical and economic displacement caused by land acquisition or restriction of land use in parks and protected areas. All other displacement effects are only addressed in other safeguard requirements. Especially up- and/or downstream effects of projects like alteration of fish population due to a dam is not properly taken into account.
- **Land titles:** The current Resettlement Policy excludes people without formal land-titles from compensation for lost land use. Only non-land asset will be compensated. In practice, we witness often customary land declared “empty” land since there are seldom official land titles available. Thus people could be forced to leave beforehand to avoid fulfilling the policy requirements.
- **Monitored Agreements:** Negotiated agreements for land acquisitions, which in general are desirable, currently lack the cross-checking, whether the agreements actually meet the requirements of the Resettlement Policy. The agreement simply excludes the application of the policy.
- **Land Acquisition:** Different from the May 2021 approved reviewed ESF at AIIB we do not see similar improvements in ADB like the ex ante rule that subjects land acquisition to AIIB scrutiny before a project is approved. Also, the AIIB requires all previous land acquisitions within a three-year window to be ESF-compliant.

The general approach of the 1995 and 2006 policies represent much better practice and demand better due diligence at an early stage of project development.¹

¹ ADB’s Involuntary Resettlement Policy from 1995 regarding economic displacement: “If individuals or a community must lose their land, means of livelihood, social support system, or way of life in order that a project might proceed, they should be compensated and assisted so that their economic and social future will generally be at least as favourable with the project as without it” (para. 34, (iii)). The Operations Manual Section F2 on Involuntary Resettlement (2006) states under Scope of the Policy: “Replacing what is lost. If individuals or a community must lose all or part of their land, means of livelihood, or social support system, so that a project may proceed, they will be compensated and assisted through replacement of land, housing, infrastructure, resources, income sources, and services, in cash or kind, or that their economic and social circumstances will be at least restored to the pre-project level”(OM, BP, D, para. 4, iii, p. 2).

Inadequate implementation

NGOs and Independent Accountability Mechanisms (IAMs) found time and again that the implementation of the safeguards was flawed. Especially if projects involve resettlement, non-compliance can result in severe impacts for the people who should benefit of the projects. Due diligence, consultation & disclosure and displacement are the three most common complaint issues across institutions.² It should be considered, that these policy areas refer to activities in the preparatory phase of projects. In order to prevent negative impacts in the context of resettlement, compliance in these policy areas must have highest priority and be assured before implementation starts.

Despite the Bank's resettlement policy and its experience in supervising and monitoring the resettlement of millions of people in its operations over the last half century, the ADB's track record remained one of underfunding, poor planning and inadequate implementation. NGOs persistently have pointed out new cases of resettlement^{3 4 5 6}, that ADB's safeguards did not cover or that have been bypassed by foul play. The project documents we analyzed are not a reliable source for the number of people affected and make it hard to find out how many people are actually being resettled by ADB funded projects.

Moreover, the growing proportion of the private sector — namely project lending through Financial Intermediaries (FI) — results in additional challenges. The lack of transparency for these lending instruments further limits the possibilities to hold the ADB accountable.

Urgewald's analysis of resettlement in ADB projects

In our first analysis of ADB projects we scanned 2001 development projects from the time period between mid-2015 and 2020. Our first finding: This review established that at least 16% (323) of all projects triggered the resettlement policy of ADB's safeguards. This is a distorted figure, given the high number of Technical Assistances (TA) that do not fall under the safeguard policies but in many cases are laying ground to future projects, that possibly will lead to resettlement. Without TA projects the number is even worse. Almost half of ADB's projects, 46% have triggered essential displacement in the 4 1/2 years timeframe.

² From 1614 complaints, 451 complaints refer to consultation and disclosure, 429 complaints refer to due diligence practices and 371 complaints refer to displacement (<https://accountabilityconsole.com/>). It's not uncommon for these aspects to occur in the same project.

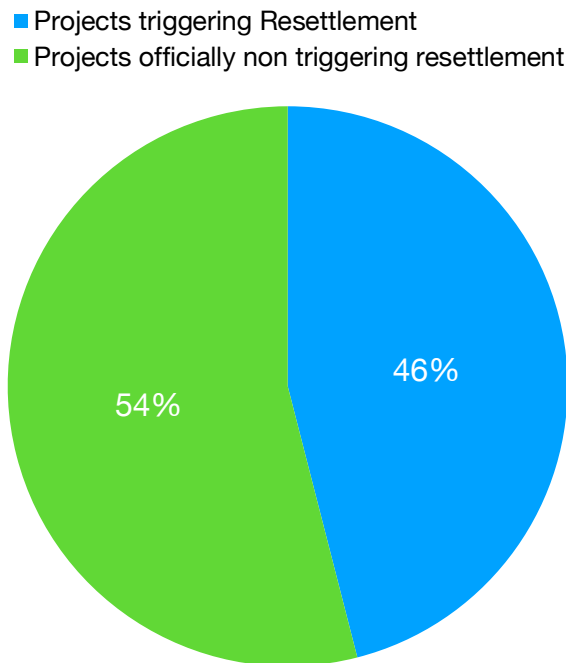
³ South Asia: <https://www.forum-adb.org/southasia>.

⁴ Mongolia: <https://www.forum-adb.org/post/mongoliaulaanbaatar-urban-services>.

⁵ Nepal: <https://www.forum-adb.org/westseti>.

⁶ Central Mekong: <https://www.forum-adb.org/adbmasallistara>.

Proportion of Projects triggering Resettlement without TA



Another important finding in this analysis of ADB's projects is the inconsistency of documentation, as the Safeguard reports fail in delivering a coherent count of individuals, families, households, and communities affected. However, we assume that at least 1 Million people within less than 5 years are affected by resettlement in ADB funded projects throughout Asia. Given the conservative estimate — counting households as 4 affected persons, the true figure could be worse.

Findings in detail:

For **2015**, we analyzed projects that were approved from the end of June to the end of December. Of the 247 projects analyzed, 47 were found to have negative impacts as they triggered economic or physical resettlement, in the case of an additional 5 ADB (co-) financed projects a negative outcome seems to be possible. 166,395 – 173,721 persons are affected.

In **2016**, 71 of 352 projects causing adverse effects, involuntary economic or physical resettlement could be identified. About 196,394 – 201,329 persons are affected.

In **2017**, about 60 out of a total of 309 ADB (co-)financed projects lead to the displacement or impacts on the livelihoods covered by the policy of 380,787 – 385,443 persons.

The numbers for **2018** provided in project documents are even more vague than for 2019. Out of 341 projects, 55 involve involuntary resettlement impacts. About 141,115 persons are negatively affected by physical or economic displacement financed or co-financed by

the ADB. Internal documentation gives partly contradictory numbers or different approaches of estimation. 12 projects are categorized as B regarding the Involuntary Resettlement Safeguards but at the same time no further information on resettlement is given. At least 9 projects state that they will not result in displacement, although due to their nature in the infrastructure/energy sector, it can be assumed that some sort of displacement is likely or that Technical Assistance will lay ground for projects including future involuntary resettlement.

In 2019 at least 43 out of a total of 353 ADB (co-)financed projects lead to the displacement or impacts on the livelihoods covered by the policy of 114,521 persons. At least 30 projects of Technical Assistance lay the foundation for projects that will likely lead to essential displacement in the future. 17 projects indicate that they will not result in displacement, although due to their nature in the infrastructure/energy sector, it can be assumed that some type of displacement is likely. 10 projects in 2019 are stating resettlement but fail to give any (estimated) number of people being physically or economically displaced. Like in other years of the given time frame a major contribution to resettlement are approved or active projects for the construction of roads (and other transport infrastructure) and, in the second place, projects in the energy sector.

In 2020 about 47 out of a total of 399 ADB (co-)financed projects, lead to the displacement or impacts on the livelihoods covered by the policy of 72,752 – 75,379 persons. The numbers are currently undergoing quality control. Due to inconsistency of documentation the figures might change. Some projects resettlement impact still need to be researched. The figures for fiscal 2021 are currently being collected.

Year	Number of projects analysed	Number of Projects with resettlement	Number of people affected
2015	247	47	166,395 – 173,721
2016	352	71	196,394 – 201,329
2017	309	60	380,787 – 385,443
2018	341	55	141,115 – 141,429
2019	353	43	114,521 – 114,534
2020	399	47	72,752 – 75,379
Total	2001	323	1,071,964 – 1,091,835

Detailed figures can be found in the Annex below.

Recommendations

- The resettlement policy must enshrine the right of Free Prior and Informed Consent (FPIC) unambiguously as the fundamental prerequisite for any resettlement activities.
- The newly updated Resettlement Policy should require upfront due diligence incorporating a thorough baseline assessment of possible impacts.
- The asset measurement for compensation should happen upfront, be based on values at the time of relocation, include and entitle all affected people and be based on uniform standards.
- The scope of the policy has to be extended to up- and downstream displacement effects regarding economic and physical displacement. The area of scrutiny must not be limited to the project area, but encompass the full range of affected areas and people.
- Any Project involving resettlement should be categorized as A.
- All indirect lending instruments like FI or TA have to be scrutinized regarding possible displacement effects. Especially with FI financing resettlement has to be handled by the project sponsor in the same way as a direct ADB project.
- ADB needs to be much more diligent and consistent in reporting. An up-to-date 'resettlement inventory' is needed to make management and board aware of the extent of resettlement in ADB's financing.
- A consistent Reporting Standard should be introduced which requires counting of individuals throughout the project cycle.
- Due to the massive impact of resettlement and the poor performance of multilateral banks over the last decades, we question the benefits of projects involving resettlement. We recommend not to support any projects that require resettlement of 5,000 or more persons.

Annex of submission urgeward to ADB safeguard review 2022

Data for the year 2015

- 247 projects (June 26 – December 23, 2015)
- 47 projects involve involuntary resettlement (are listed as “yes”)
- 166,395 – 173,721 affected people

Sector*	“yes” (total 47)
Agriculture, natural resources and rural development	9
Education	1
Energy	13
Transport	15
Water and other urban infrastructure and services	18

*Since some of the projects are assigned to several sectors, the figures overlap

Country/Region	“yes” (total 47)
Afghanistan	2
Armenia	1
Azerbaijan	1
Bangladesh	3
Cambodia	2
China, People's Republic of	10
India	6
Lao People's Democratic Republic	1
Marshall Islands	1
Myanmar	4
Pakistan	4
Sri Lanka	3
Uzbekistan	3
Vanuatu	1
Viet Nam	5

Project Type	“yes” (total 47)
Sovereign	44
Non-Sovereign	3

Data for the year 2016

- 352 Projects
- 71 projects involve involuntary resettlement (71 projects are listed as “yes”)
- 196,394 –201,329 affected people

Sector*	“yes” (total 71)
Agriculture, natural resources and rural development	17
Education	1
Energy	17
Finance	1
Industry and trade	6
Information and communication technology	1
Transport	28
Water and other urban infrastructure and services	17

*Since some of the projects are assigned to several sectors, the figures overlap.

Country/Region	“Yes” (total 71)
Afghanistan	2
Armenia	1
Azerbaijan	2
Bangladesh	7
Bhutan	1
Cambodia	
China, People's Republic of	11*
Fiji	2
Georgia	1
India	11
Indonesia	5*
Kazakhstan	1
Kyrgyz Republic	
Kiribati	
Lao People's Democratic Republic	2
Mongolia	1
Myanmar	2
Nepal	1

Pakistan	7
Papua New Guinea	2
Philippines	1
Regional	2*
Solomon Islands	3*
Sri Lanka	3
Tajikistan	1
Timor-Leste	1
Uzbekistan	2
Viet Nam	3*

*one project (50243-001) located in Regional, Indonesia, China and Viet Nam and another project (42291-026) is listed for Regional & Solomon Islands, which is why those numbers are overlapping.

Project Type	“Yes” (total 71)
Sovereign	64
Non-Sovereign	7

Projects to be clarified

Project No	Name	Comment
47084-002	Community-Focused Investments to Address Deforestation and Forest Degradation	Listed as “yes” for IR, but impact is “unknown”. There are Affected Communities (AC), and possibly 17,584 affected indigenous people.

Data for the year 2017

- 309 projects
- 60 projects involve Involuntary Resettlement (60 projects are listed as “yes” and 1 project as “maybe”)
- 380,787 – 385,443 affected people

Sector*	“yes” (total 60)	“maybe” (total 2)
Agriculture, natural resources and rural development	10	
Education	3	
Energy	18	1
Finance	3	
Health	1	
Industry and trade	1	
Transport	29	1
Water and other urban infrastructure and services	14	

*Since some of the projects are assigned to several sectors, the figures overlap.

Country/Region	“yes” (total 60)	“maybe” (total 2)
Afghanistan	2	
Armenia	1	
Azerbaijan	1	
Bangladesh	4	
Bhutan		
Cambodia	1	
China, People's Republic of	10	1
Fiji		
Georgia	2	
India	9	
Indonesia	2	
Kazakhstan		
Kyrgyz Republic		
Kiribati		
Lao People's Democratic Republic	1	
Mongolia	1	
Myanmar		

Nepal	2	
Pakistan	8	
Papua New Guinea		
Philippines	1	
Regional	2	
Sri Lanka	5	
Tajikistan		
Thailand	2	
Timor-Leste		1
Uzbekistan	1	
Vanuatu	1	
Viet Nam	4	

Project Type	“yes”
Sovereign	53
Non-Sovereign	7

Projects to be clarified

Project No.	Name	Comment
50064-001	Batumi Bypass Road Project	Last SM covers the numbers from the first RPs and Addendum but also provides numbers from the “implemented” parts. The two more recent resettlement plans on other sections of the line do not appear to be included in the other plans. This has yet to be verified.
49345-002	Wind Power Generation Project	It is not clear here whether, and if so how many landowners voluntarily sell their land to the company and who is affected by land acquisition. In addition, only “land plots” are mentioned here, and no longer whose property they are. We have marked the project as “inconclusive” for the time being. (-> maybe we can implement this as a rule for further projects, where also no exact numbers of affected people could be determined?)

Data for the year 2018

- 341 projects
- 55 projects involve Involuntary Resettlement (55 projects are listed as “yes” and 1 project as “maybe”)
- 141,115 – 141,429 affected people

Sector*	“yes” (total 55)	“maybe” (total 1)
Agriculture, natural resources and rural development	11	
Education	5	1
Energy	13	
Finance	3	
Health	4	
Industry and trade	3	
Information and communication technology	1	
Public sector management	1	
Transport	16	
Water and other urban infrastructure and services	21	

*Since some of the projects are assigned to several sectors, the figures overlap.

Country/Region	“yes” (total 55)	“maybe” (total 1)
Afghanistan	1	
Armenia		
Azerbaijan		
Bangladesh	3	
Bhutan	1	
Cambodia	3*	
China, People's Republic of	6	
Fiji		
Georgia	1	
India	11	
Indonesia	2	
Kazakhstan		
Kyrgyz Republic	1	

Kiribati		
Lao People's Democratic Republic	3*	
Mongolia	3	
Myanmar	4	
Nepal	2	1
Pakistan	3	
Papua New Guinea		
Philippines	1	
Regional	1*	
Sri Lanka		
Tajikistan	3	
Thailand	2	
Timor-Leste	1	
Uzbekistan		
Vanuatu		
Viet Nam	5	

*one project 49387-002 listed as „yes“ for involuntary resettlement is a project located in Regional, Cambodia and Lao People's Democratic Republic, which is why those numbers are overlapping.

Project Type	“yes”
Sovereign	50
Non-Sovereign	5

Projects to be clarified

Project No	Name	Comment
52313-001	Emergency Assistance for Reconstruction and Recovery of Marawi	Impact of project 52313-001 still needs to be determined (is included in the projects that involve resettlement, but the number of APs has not yet been determined and is thus not yet included in the total number of APs)

Data for the year 2019

- 353 projects
- 43 projects involve Involuntary Resettlement (42 projects are listed as “yes”)
- 114,521 - 114,534 affected people

Sector*	“yes” (total 43)	Maybe (total 1)
Agriculture, natural resources and rural development	7	
Education	2	
Energy	13	
Finance		
Health		
Industry and trade		
Information and communication technology		
Transport	18	1
Water and other urban infrastructure and services	10	

*Since some of the projects are assigned to several sectors, the figures overlap

Country/Region	“yes” (total 43)	Maybe (total 1)
Afghanistan	1	
Armenia		
Azerbaijan		
Bangladesh	3	
Bhutan		
Cambodia	2	
China, People's Republic of	6	
Cook Islands	1	
Fiji	1	
Georgia	2	
India	7	
Indonesia	2	
Kazakhstan		

Kyrgyz Republic	1	
Kiribati	2	
Lao People's Democratic Republic		
Marshall Islands	1	
Micronesia	2	
Mongolia		
Myanmar	2	
Nauru	1	
Nepal	3	
Pakistan	2	
Palau	1	
Papua New Guinea	2	
Philippines	3	
Samoa	1	
Solomon Islands	3	
Sri Lanka	1	1
Tajikistan	1	
Thailand		
Timor-Leste	1	
Tonga	1	
Tuvalu	1	
Uzbekistan	2	
Vanuatu	1	
Viet Nam	1	
Regional	2 *	

* project 52329-001 is also a Regional project located in Cook Islands, Fiji, Micronesia, Kiribati, Nauru, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu; and project 53037-001 is also Regional, located in Indonesia, Philippines, Viet Nam, which is why those numbers are overlapping.

Project Type	"yes"
Sovereign	38
Non-Sovereign	5

Projects to be clarified

Project No	Name	Comment
49469-007	India: Mumbai Metro Rail Systems Project	This project is category C and does not include civil works. However, other components of the construction project have a large resettlement impact and affect 5,915 people.
50240-001	Solomon Islands: Tina River Hydro-power Project	There are three Resettlement Plans disclosed on the website. Only the "Land Acquisition and Livelihood Restoration Plan" provides numbers but those are very confusing and inaccurate. The plan gives numbers of people living in the immediate vicinity of the project without identifying them as affected people. However, the projects is classified as category A but only 36 affected people could be identified.
48096-002	Afghanistan: Arghandab Integrated Water Resources Development Project	Dam project with impact on 22 villages. Check all safeguard reports on the website to get a more accurate estimate of the people affected

Data for the year 2020

- 399 projects
- ~ 47 projects involve Involuntary Resettlement
- 72,752 – 75,379 affected people

Sector*	“yes” (total 47)	“maybe” (total 1)
Agriculture, natural resources and rural development	4	
Education	5	
Energy	20	
Finance	3	
Health	1	
Industry and trade	2	
Information and communication technology	2	
Public sector management	2	
Transport	11	1
Water and other urban infrastructure and services	7	

*Since some of the projects are assigned to several sectors, the figures overlap.

Country/Region	“yes” (total 47)	Maybe (total 1)
Afghanistan	2	
Armenia		
Azerbaijan		
Bangladesh	1	
Bhutan		
Cambodia	1	
China, People's Republic of	6	
Cook Islands		
Fiji		
Georgia	1	
India	13	
Indonesia	1	
Kazakhstan		
Kyrgyz Republic	1	
Kiribati	2	

Lao People's Democratic Republic	1	
Marshall Islands		
Micronesia	1	
Mongolia	1	
Myanmar	3	
Nauru		
Nepal	2	
Pakistan		
Palau		
Papua New Guinea		
Philippines	1	
Samoa	1	
Solomon Islands		
Sri Lanka		
Tajikistan	2	
Thailand		
Timor-Leste		
Uzbekistan	2	1
Vanuatu	1	
Viet Nam	2	
Regional	2	

Project Type	"yes"	"maybe"
Sovereign	41	1
Non-Sovereign	6	-

Projects to be clarified

Project No	Name	Comment
47282-007	Afghanistan: Energy Supply Improvement Investment Program Tranche 6	The Social Safeguard Report admits that LA had begun for the associated facility before all APs received compensation.
42267-031	India: Rajasthan Secondary Towns Development Sector Project	IR impact remains unclear