

ADB response received on July 25, 2022

Dear Ella,

Thank you very much for the invitation to respond. We appreciate the opportunity to provide you with a briefing on ADB's environment and social policies and strategies and how these address human rights considerations. We will also explain how these requirements are implemented during project design and implementation. Your email lists three projects that ADB is involved in; Nenskra and Shuakhevi HPPs (also known as Adjaristsqali) in Georgia and Sevan-Hrazdan Hydro-cascade in Armenia. ADB's involvement with each of the projects is as follows:

Nenskra

ADB has not taken any decision to finance this project. We still remain in the process of conducting due diligence and the project has to go through multiple stages of internal approvals before we can approach our Board of Directors for approval. Should ADB decide to fund the project at the end of its due diligence process, it will be ensured that all of ADB's policies will be fully adhered to.

Adjaristsqali

In 2014, the ADB Board approved a loan of \$75 million from ADB's ordinary capital resources and administration of a \$15 million loan from the Canadian Climate Fund for the construction, operation and maintenance of Shuakhevi (175MW) and Skhalta (10 MW) hydropower plants on the Adjaristsqali River.

Sevan Hrazdan

ADB provided a \$25 million loan in 2013 for the rehabilitation and modernization of the Sevan–Hrazdan Cascade Hydropower System. Rehabilitation and restoration was completed in 2018, and the loan was repaid in 2020.

Human Rights considerations are embedded across ADB's environmental and social policies and strategies. These policy and strategy documents have elements that encompass human rights issues in line with the United Nations Guiding Principles on Business and Human Rights (UNGPR). Aspects of human rights relevant to ADB's interventions are factored in environmental and social impact assessment during project appraisal (even though we do not explicitly label such assessment as 'human rights due diligence'), which lays the foundation for strengthening project design and implementation.

ADB clients must implement the project in compliance with the ADB environmental and social policies and strategies, which facilitates the identification and management of relevant human rights issues. These ADB policies and strategies are aligned with human rights principles, particularly the (a) Right of self-determination; (b) Right to life; (c) Right not to be subjected to slavery, servitude or forced labour; (d) Rights to freedom of opinion and expression; (e) Right to freedom of association; (f) Rights of protection for the child; (g) Right to equality before the law, equal protection of the law, and rights of non-discrimination; (h) Rights of minorities; (i) Right to work; (j) Right to enjoy just and favourable conditions of work; (k) Right to form and join trade unions, and the right to strike ; (l) Right to social security, including social insurance; (m) Right to an adequate standard of living; and (n) Right to health. The policies and strategies also emphasize ensuring the rights of vulnerable people and populations. ADB's Social Protection Strategy refers to the Core Labor Standards which are a set of four internationally recognized basic rights and principles at work: (a) freedom of association and the effective recognition of the right to collective bargaining; (b) elimination of all forms of forced or compulsory labor; (iii) effective abolition of child labor; and (c) elimination of discrimination in respect of employment

and occupation. You can find the strategy here: <https://www.adb.org/documents/social-protection-strategy>

ADB seek to address human rights concerns through project design and implementation based on the frameworks provided in the environment and social policies and strategies. Due diligence and review processes confirm (a) that all key potential social and environmental impacts and risks of a project are identified; (b) that effective measures to avoid, minimize, mitigate, or compensate for the adverse impacts are incorporated into the safeguard plans and project design; (c) that the borrower/client understands ADB's environment and social policy principles and requirements and has the necessary commitment and capacity to manage social and environmental impacts and risks adequately; (d) that the role of third parties is appropriately defined in the safeguard and social plans; and (e) that consultations with affected people comply with ADB's requirements. Project legal documents contain requirements to ensure compliance with ADB environmental and social policies and national law. ADB undertakes monitoring and supervision which reviews the client's performance in meeting the commitments in the legal agreement.

ADB's Safeguards Policy Statement 2009 sets out our commitments to meaningful consultation and participation, local grievance redress mechanisms and the accountability mechanism. You can find the policy here: <https://www.adb.org/who-we-are/safeguards/main>. All projects approved by ADB are required to be compliant with the policy. Project documents are disclosed on <https://www.adb.org/projects>. ADB's accountability mechanism, which provides an independent and effective forum for those affected by ADB-assisted projects to voice their concerns can be reached here: <https://www.adb.org/who-we-are/accountability-mechanism/main>.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. To achieve this our operations must be inclusive and aim to avoid adverse impacts on the environment and project affected people. Our policies highlight the importance of identifying and providing measures to address adverse impacts on project affected people, especially the poor and vulnerable.

Regards

Mark Kunzer
Director
Private Sector Transaction Support
Private Sector Operations Department
Asian Development Bank