

Comments on the Environment Action Plan 2024-2030: Towards Nature Positive Asia and the Pacific

Thank you for this opportunity to comment on the draft Environment Action Plan 2024-2030 (EAP). Accountability Counsel supports communities negatively impacted by international development finance that file to Independent Accountability Mechanisms.

As ADB readies to “raise its level of ambition to scale up its investments on environment” to address the triple planetary crisis, the bank must take action to (a) develop the necessary infrastructure to ensure accurate and verifiable impact monitoring and disclosure, and (b) strengthen its ability to prevent environmental harm (biodiversity loss, pollution, climate change) and provide redress and remedy to Indigenous Peoples and local communities adversely impacted by its financing, and even in particular, its nature-positive investments. This is crucial to ensuring ADB’s finance has a *net*-positive impact.

Data across Independent Accountability Mechanisms show that there have been at least 387 complaints (nearly 20%) where communities have alleged that development finance has caused environmental harm and there have been at least 150 complaints arising out of projects related to agribusiness, conservation and environmental protection.¹ Because the EAP is a strategic document intended to set investment priorities and capture opportunities and risks, it should take care to acknowledge the increased environmental and social risks borne by ultimate intended beneficiaries, including Indigenous Peoples and local communities that will accompany the scaled investment. We therefore write to emphasize the importance of the EAP including ADB’s explicit commitment to stakeholder engagement and grievance redress protocol essential to the effective management of nature and biodiversity impacts.

- I. The EAP refers (Para 88[b]) to the Controller’s engagement with monitoring, measuring and reporting frameworks like those set up by the Task Force on Nature-related Financial Disclosures or similar standards under the International Sustainability Standards Board.
 - A. Beyond just enabling the ADB to participate in “global discussions on assessing and disclosing its relationship with nature for better informed environmentally sustainable financial decision-making,” the ADB should commit to, and require clients to commit to, measuring biodiversity impacts, as the TNFD framework would require.
 - B. In that commitment, reference and require adherence to protocol developed to ensure the effective and efficient monitoring, measuring, and reporting on nature-related impacts, including the TNFD’s [Guidance on engagement with](#)

¹ See, Climate Finance: Is it doing more harm than good?, Accountability Console Newsletter (Dec 2023), available at <https://accountabilityconsole.com/newsletter/articles/climate-finance-is-it-doing-more-harm-than-good/>.

[Indigenous Peoples, Local Communities and affected stakeholders](#) and the [Stakeholder Engagement Guidance](#) developed by the Science Based Targets Network. The guidelines expressly require embrace of grievance redress and remediation to ensure the the rights and knowledge of Indigenous Peoples and local communities are respected when prioritizing nature-positive results. These stakeholders are in the best position to not only monitor and verify actual impacts to nature and biodiversity, but also to advise on better management of impacts. Their knowledge should be respected, and their rights must be protected.²

- II. The EAP also notes the role played by the Office of Risk Management in contributing to risk identification assessment, reporting, and mitigation, allowing ADB to expand its role as Asia's climate bank (Para 88(b)). The EAP should also capture the important role played by the Accountability Mechanism in providing an avenue for the ADB to be apprised of project risks³ and an opportunity for the ADB to course correct and ensure that any unintended consequences are remedied and projects have a *net* positive impact. Equipping the Accountability Mechanism with an advisory function that would allow it to relay thematic and systemic lessons derived from trends in the mechanism's caseload would be an essential step to help guide and improve performance under the EAP. Failing to equip the Accountability Mechanism with an advisory function would be a missed opportunity to embed an institutional culture of continuous learning necessary for the dynamic improvement of the EAP as it is implemented.

We note that ADB's Accountability Mechanism currently lacks the ability to hear cases relating to biodiversity harm, unless project affected communities are also "directly" impacted. This means that if an approved project has an unintended negative impact on the habitat of an endangered species, it is possible that no community will have the ability to file a complaint relating to this harm. To address this accountability gap, the Accountability Mechanism must have the ability both to self initiate complaints in limited circumstances and to accept submissions relating to harms against biodiversity, critical habitats, cultural heritage sites, and other global public goods by any natural or legal person. We understand that the ADB Accountability Mechanism Policy is scheduled for review later this year and we will be raising this with the relevant department. It is equally as important that the EAP recognize the need to receive and address complaints about biodiversity harm, as it crucially impacts ADB's ability to fully understand its net impact and ensure that it avoids harm in the pursuit of net-positive impact.

² See, Upholding Banks' Biodiversity Responsibilities, Accountability Console Newsletter (May 2024), available at

<https://accountabilityconsole.com/newsletter/articles/upholding-banks-biodiversity-responsibilities/>.

³ See, Banks Do Not Assess Project Risks Accurately. People and our planet pay the price, Accountability Console Newsletter (July 2024), available at

<https://accountabilityconsole.com/newsletter/articles/banks-do-not-assess-project-risks-accurately-people-and-our-planet-pay-the-price/>.

Again, thank you for this opportunity to comment on the draft EAP. Please do not hesitate to reach out for any questions or further discussion.

Sincerely,

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