

Congress of the United States
Washington, DC 20515

February 18, 2009

The Honorable Timothy Geithner
Secretary of the Treasury,
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner,

We are writing regarding the Asian Development Bank's (ADB) review of its Environment, Involuntary Resettlement and Indigenous Peoples policies under an initiative called the Safeguard Policy Update. We are aware of the ADB's 3rd draft Working Paper of its Safeguard Policy Statement, and are concerned that it falls short in multiple respects. Specifically, there are concerns that the Working Paper as currently drafted could –

- weaken existing mechanisms for transparency and oversight such as by reducing the 120 day public comment period on environmental impact assessments for all projects to 60 days for private sector projects, which would be inconsistent with the requirements of the Pelosi Amendment.
- fall short of international standards and the practices of other multilateral development banks regarding involuntarily resettlement and indigenous peoples, and economic and social development and environmental protections that are contained in international conventions, declarations, action plans, and similar documents.
- exclude thousands of displaced people from coverage by diminishing the scope of its involuntary resettlement policy to include only persons displaced by land acquisition. The policy also places undue reliance on cash compensation as a means to protect the livelihoods of affected persons without ensuring livelihood security through other appropriate means.
- weaken the requirements for environmental assessment, due diligence practices, and environmental protection.
- apply Country Safeguard Systems without conducting feasibility studies or independent review of the effectiveness of such an approach and without adequate safeguards to ensure that environmental and social standards will not be reduced and that measures to fill gaps will be adequate to strengthen country laws and capacities.
- fail to adequately protect gender equality and women's rights throughout the project cycle.

The Honorable Timothy Geithner
Page 2

- fail to require borrowers to assess the potential impacts on the rights of affected people, or to respect those rights in project design, implementation, monitoring and evaluation.
- fail to apply the “prohibited investments list” consistently to the Bank’s entire portfolio.

We appreciate the Department of Treasury’s ongoing attention to these concerns, and look forward your reply.

Sincerely,



SENATOR PATRICK J. LEAHY



REP. BARNEY FRANK