

MR. MASATSUGU ASAKAWA

President

Asian Development Bank (ADB)

Dear President Asakawa;

A historical feat took place this week in the Philippines when the [Department of Energy \(DOE\) declared a moratorium on endorsements for greenfield coal power plants](#).

According to Energy Secretary Alfonso G. Cusi, the agency's most recent assessment revealed the need for the country to shift to a more flexible power supply mix^[1]. He also added that this would help build a more sustainable power system that will be resilient in the face of structural changes in demand and will be flexible enough to accommodate the entry of new, cleaner, and indigenous technological innovations^[2].

With this huge pronouncement, [NGO Forum on ADB](#), a network of over 250 organizations worldwide is expecting that the Asian Development Bank (ADB) pay heed to middle income countries detracting from coal as an energy source.

The Forum network demands the ADB to –

- Have an explicit binding language banning all forms of coal project amended into its Energy Sector Strategy
- Develop a Climate Change Action Plan, with clear and ambitious targets for how it will align its policies and operations with the Paris Climate Agreement.
- Revisit, review, and improve the existing ADB Climate Change Operational Framework
- Provide a road map for the ADB to shift direct and indirect investments from fossil fuels to renewable energy, including ruling out all financing for coal and any investment that would result in increased coal use.
- Ensure all energy projects help lift more people out of energy poverty in a sustainable way, especially by scaling up support for decentralized renewable electricity and clean cooking solutions. This should exclude large hydro dams or nuclear power plants.

CSOs are alarmed by the announcement that the Philippines is considering allowing 100% foreign ownership in large-scale geothermal exploration, development, and utilization projects. Large-scale geothermal projects are those with an initial investment cost of about USD 50 million capitalizations through Financial and Technical Assistance Agreements (FTAAAs)¹.

¹ <https://www.bworldonline.com/doe-bans-new-coal-run-power-plants/>

In the mining sector of the Philippines FTAA's have been notorious for exploiting people and the environment, "the 1995 Philippine Mining Act allows FTAA for large-scale mining to transnational corporations (TNCs) to put up capital and technology in favor of acquiring mining leases for up to 25 years for 100,000 hectares of mining land. The later amended FTAA's allows 100% ownership by MNCs, tax holidays, remittance of earnings, freedom from requisition of investment, confidentiality, auxiliary mining rights for water, land, timber, etc. right to possess explosives, entry into private lands and concession areas. The above-mentioned incentives were all in favor of the MNCs with hardly any protection of local community rights, livelihoods, and environments". NGO Forum on ADB wants to bring attention to ADB that in pursuing Geothermal projects using an FTAA approach will lead to a pathway of severe exploitation of precious resources and threatening ecological hotspots, indigenous and traditional communities.

The Forum Network is hoping that the ADB considers positive action on the listed demands and would make an immediate shift towards just and equitable renewable energy pathways for a Paris Aligned COVID-19 recovery and that the Bank ensures steps for withdrawing projects in the pipeline that fail to meet the climate criteria.

Respectfully,



Mr. Rayyan Hassan
Executive Director
NGO Forum on ADB

Endorsed by:

Aksi for gender, social and ecological justice, Indonesia

ALTSEAN-Burma, Myanmar

Arab Watch Regional coalition, Mena

Asian Peoples' Movement on Debt and Development, Regional (Asia)

Bangladesh Working Group on External Debt (BWGED), Bangladesh

CEE Bankwatch, Europe

Center for Environment and Participatory Research - CEPR, Bangladesh

Christian Aid, UK

CLEAN (Coastal Livelihood and Environmental Action Network), Bangladesh

Center for Energy, Ecology, and Development, Philippines
DIGNIDAD Coalition, Philippines
Environics Trust, India
Environmental public society, Armenia
Fair Finance Philippines, Philippines
FIAN Sri Lanka, Sri Lanka
Freedom from Debt Coalition, Philippines
Freedom from Debt Coalition, Philippines
Fresh Eyes, United Kingdom
Friends of the Earth Japan, Japan
GAIA Philippines, Philippines
Gender Action, Global
Green Alternative, Georgia
GrowthWatch, India
IDEALS Inc, Philippines
Independent Consultant, Tajikistan
Indian Social Action Forum (INSAF), India
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Philippine Movement for Climate Justice, Philippines
Recourse, Europe
Solidaritas Perempuan, Indonesia
SPELL-Sustainability and Participation through Education and Lifelong Learning, Philippines
Sri Lanka Nature Group, Sri Lanka
VOICE, Bangladesh
WomanHealth, Philippines
Youth For Environment Education And Development Foundation (YFEED Foundation), Nepal