

NGO Forum on ADB's Critique of the ADB's 2021 Energy Policy Working Paper

31st August 2021

Introduction

On behalf of the NGO Forum on the ADB -- a broad membership-based network of civil society groups and alliances directly in communication with communities affected by ADB projects and investments across the region -- we write to acknowledge and input commentary on the revised "Energy Policy Working Paper", as published by ADB's Sustainable Development and Climate Change Department (SDCC) on 16th August, 2021. In this regard, we express our urgent concerns with the current elaboration of the Working Paper's policy provisions, in particular as it contradicts and undermines firm positions taken by the Bank's shareholder governments (e.g. the UK, US, and Germany, among others) as well as other MDBs on burning questions related to (i) sustainable energy and climate protection, (ii) refraining from dispersing funds for coal (inclusive of financial intermediary modalities), (iii) trade in oil, (iv) new gas infrastructure, (v) nuclear energy, and (vi) incineration of waste to meet the world's heating, cooling and power needs. Unfortunately, from the perspective of the NGO Forum on ADB's membership, in the current iteration of this document, SDCC has failed to advance a policy that would duly take into account the latest climate science as articulated by the Intergovernmental Panel on Climate Change in August 2021 (IPCC Assessment Report 6). We also do not consider it [Paris-aligned](#).¹

With the understanding that a very brief window of opportunity remains before the finalized draft is submitted to the Bank's Board of Directors for approval, below we share the most critical issues we recommend be addressed with immediacy. We advance these points from the perspective of what is absolutely required of the ADB at this juncture in time if, as a multilateral development finance institution, it is going to move into a forward-looking position towards international climate accountability, supporting national and local resilience, and a just transition grounded in internationally accepted social, economic, and environmental concepts. Without such a policy recalibration, the ADB management risks relegating the institution to the status of a laggard in front of the global community as we head into the pivotal lead up to COP 26 this November 2021.

Closing the Gaps and Exceptions in ADB's 'Withdrawal' from Coal

We appreciate that the ADB has retained wording as expressed in paragraphs 59, 74, 90 and 105 related to supporting a phase-out of coal-fired power and heating facilities, and to formally withdraw from financing "coal mining, processing, storage, and transportation, nor any new coal-

¹ In this regard, the NGO Forum on ADB looks to the guiding note on "[Principles for Paris Aligned Institutions](#)" endorsed by civil society organizations and social movement alliances worldwide, asserting that "Financial institutions (FIs) that commit to 'Paris alignment' must also commit to aligning with the Paris Agreement's goal of limiting global warming to 1.5°C while respecting all human rights and the specific rights of Indigenous Peoples."

fired power generation”. However, the question that must be borne in mind is that the policy provides no time-bound or firm, proactive commitments for the rapid powering-down of coal facilities required to put an end to dirty and dangerous emission levels. Nor does it specifically provide any references to ADB’s own current and legacy coal project investments, some of which remain operational, continuing to emit air-borne greenhouse gases, contaminating surrounding ecosystems, and inducing ill-health as well as premature deaths in local communities. Furthermore, the provisions in the policy do not close the door on offering support for coal-related industrial processes or on investments in coal assets via financial intermediary modalities - directly in contrast, for example, with the recent US Treasury’s August 2021 “[Fossil Fuel Energy Guidance for Multilateral Development Banks \(MDBs\)](#)”.

Indeed, the loose wording and loopholes in current policy provisions provide grounds for significant concern as exemplified in the ADB’s first piloting of support for coal project retirement (Project Numbers [55124-001/ 55024-001](#)). Already, a range of civil society groups have raised serious questions about the opaque key terms of reference for the technical assistance being offered in the Southeast Asian Region under the banner of “*Accelerating the Clean Energy Transition in Southeast Asia*” (e.g. no clarity on which coal plants are to be targeted, how many years of financed transition will be deemed acceptable, and what fundamental principles are being applied to ensure partnering banks/asset managers/insurers are not deeply entwined in conflicted business interests in the coal sector). As per internationally accepted ‘polluter pays’ principles, if the ADB management wishes to demonstrate meaningful alignment with a just, sustainable and inclusive transition, it is incumbent upon them to categorically reject the provision of limited public funds for bailing out the very companies that should be held accountable for the damages wrought by operating coal fired plants.²

Heeding Climate Science: Unequivocally End Support for Fossil Gas and Oil

Crucially, the Working Paper in no way distances the Bank from freely investing in, financing or providing technical advice for the expansion of new fossil gas and oil dependent operations, instead indicating head-on direct and intermediary support for fossil fuel operations and associated facilities. As a result, the Bank remains fully out of step with the dire warnings of the most recent IPCC Sixth Assessment Report ([AR6: August 2021](#)) as well as those of the [UN Director General Antonio Guterres](#), imploring governments and financial institutions alike to direct their undivided and unequivocal attention towards ending all new fossil fuel infrastructure -- keeping oil, coal and gas in the ground. By simply not taking such direct international guiding perspectives into account, the ADB will, without a doubt, fail to heed scientific reason and logic, recklessly undermining the efforts of all of us who are prepared to fight for the survival of our common humanity under a 1.5C scenario. We also note this stands in contravention to the above mentioned US Treasury’s “[Fossil Fuel Energy Guidance for Multilateral Development Banks \(MDBs\)](#)”

² Legally binding regulations holding companies accountable for violations of the rights of current (and future) generations are exemplified by Germany’s supply chain laws and other similar due diligence policies adopted by governments in Europe and beyond.

We therefore urge the ADB management and board to reconsider the negligent wording of the provisions of this Working Paper, including specifically paragraphs 73 - 75, which suggest (i) offering support for “petroleum-based backup systems”, including in remote areas and in fragile and conflict-affected situations, (ii) partnering with local banks to boost the operations of “international trade and supply chains” that “involve trading in oil... to keep economies running”, (iii) investing in fossil gas infrastructure such as “pipelines, liquefied natural gas terminals, and storage facilities” and “end-use facilities” as well as (iv) supporting local/household-level distribution networks with gas-related fuels. Going forward, if these policy provisions are to be operationalized by the Bank, not only do they fail to uphold goals aligned with the Paris Agreement and IPCC recommendations, but furthermore, threaten to exacerbate injustice and human rights violations through designating fragile, conflict affected and remote areas as sacrifice zones.

In addition, given readily deployable solar and wind technologies, it appears from the provisions of the Working Paper that the ADB management prefers to remain blind to least cost economic and environmentally responsible energy scenarios currently available. Instead, the policy language articulated suggests engaging in the build-up of fossil fuel-reliant energy sources, locking in toxic, heavy GHG emitting infrastructure for the purposes of “space heating, cooling, domestic demand, industrial energy applications”, or...”to improve energy access”. With communities across the region already facing deep economic, environmental and climate crises, it is not clear why the ADB would sink finite resources into outdated, inappropriate and climate-conflicted technologies.

Drop Suggestions for Deploying Onerous Carbon Capture Technologies

Furthermore, this Working Paper suggests shifting limited budgetary resources into carbon capture, utilization and storage schemes -- that by default employ technologies repeatedly unproven to be scalable or economically viable (including as reported just last month in the [UK Guardian](#)). Most notably, CCUS ventures are associated with prohibitive costs, have consistently failed to actually support any proven decarbonization measures for industrial fossil fuel dependent processes, depend upon continued extraction of coal, oil and gas better left in the ground, and have potentially devastating environmental, health and safety risks for surrounding communities (where underground storage and associated infrastructure works would be located).

We note, for instance, that the ADB’s suggestion to support deployment of carbon capture ventures would require investing in onerous large-scale pipeline infrastructure. Yet there are no associated policy provisions to confirm robust and stringent adherence to the ADB’s safeguard policy. Indeed, any rupture or accident along such associated facilities would mean people’s lives [in the surrounding areas would be at risk](#), since the immediate release of such volumes of CO₂ (as an asphyxiant gas), would lead to the coating of nearby land and watersheds with super-cold dry ice (dropping temperatures to below -60C), while potentially also wreaking further health and ecological havoc with the toxic release of contaminants such as hydrogen sulfide. Notably, the ADB lacks any such operational guidance on the safe deployment of CCUS or mechanisms developed to provide reparations for the loss, harm and damage that may be wrought because of such risky technologies.

Furthermore, despite referencing “green hydrogen” as an emerging technology suitable for accelerating renewable energy deployment (para. 24, 64), the paragraphs in the policy pertaining to carbon capture also contain language related to the production and use of “sustainable hydrogen” without defining clearly whether or not this is derived in part or in entirety from fossil fuel-reliant processes. This lack of clarity needs to be addressed by affirming that fossil fuel sourced hydrogen is neither sustainable nor an acceptable source of ‘renewable energy’.

We are further alarmed by the Working Paper’s startlingly low standard unit cost of carbon suggested to be applied to energy sector investments, standing at under approximately 43 USD. This is in stark contrast, for example, with the conclusions of the most recent scientific studies on such matters as integrated assessment models for calculating the social costs of carbon. Such evidence based information is articulated for instance in the internationally respected and peer-reviewed journal, [Nature](#), reaffirming that if questions of human mortality are taken into account, the social price of carbon should be pegged closer to 258 USD per ton.

Abandon Negligent Provisos on Indirect Support for Nuclear Energy

We most particularly urge revisions of paragraph 78 of the updated Working Paper, which directs ADB staff and consultants towards providing technical advice to DMC governments on new opportunities for deploying nuclear technologies in the power sector. Even if the ADB refrains from financing nuclear projects directly, providing such advice would clearly saddle the Bank’s management with onerous liabilities -- given the reality that developing member countries are the most affected by extreme climate-related crises of rising sea levels and extreme weather events, not to mention several geological fault lines. Engaging with nuclear supply chains has no place in a just, inclusive, green transition process and should not be branded as a realistically affordable energy solution fit for propelling regional populations into a climate resilient future. One only need consider the devastation caused by recent nuclear spills and accidents as well as unresolved questions of safely disposing of/storing nuclear waste -- not to mention the irreparable social and ecological harms resulting from uranium mining -- to comprehend the costs to human life and ecosystems associated with giving such advice. We therefore categorically urge the ADB management to withdraw this paragraph from any final version of the 2021 Energy Policy advanced for approval by the Board of Directors.

Relegate Large-Scale Dams to the Past, Support Free-Flowing Rivers and Redress

We remain concerned that the provisions related to large-scale hydropower (para. 69) fail to be informed by up-to-date scientific, economic or ecologically sound data. For example, there are no assurances that outstanding problems related to hydropower projects in not only the same river basin, but also within other nearby watersheds, are already addressed before investment in new dams move forward (including as related to local grievances of upstream and downstream communities). Nor are there any provisions related to supporting communities when downstream zones traverse national borders or conflict zones. In this regard, we note there are no requirements established by the ADB to ensure all concerned government bodies (including those in neighbouring countries where rivers are part of transboundary watershed systems) are in a position to fully carry out operational management duties with due diligence. Accordingly, there remains a lack of assurances that such projects will be carried out with the full awareness of --

and public acceptance explicitly granted by -- affected communities. Further, we note the failure to take into account life-cycle greenhouse gas emissions as well as other relative economic, social or environmental costs, or to consider the realities of changing water levels and hydrologies in the context of fluctuating rainfall and river flow. In effect, rather than bolstering finances for aging and dysfunctional dam infrastructure, the Bank now has the opportunity to acknowledge such historical legacies as no longer fit for purpose, instead supporting locally-managed dam removal initiatives, enabling river restoration and riparian resilience in line with the priorities of Agenda 2030 and the SDGs. Crucially, for member organizations of the NGO Forum on the ADB allied with dam-affected communities, the association of large hydropower with the notion of sustainable development belies the dispossession and sacrificing of critical ecologies depended upon by young and older generations alike.

Abandon Investments in New Waste-to-Energy, Co-Fired Fossil/ Biomass and Large-Scale Biomass Projects

We note that the provisions related to waste-to-energy (WTE) in paragraph 71 still fail to reflect critical concerns relayed to ADB management by our member organizations and allies in the first round of consultations. Firstly, WTE is costly to establish and to operate -- most especially with the put-or-pay contracts through which public authorities are required to supply operating sites with voluminous quantities of waste as contractually agreed upon -- or risk becoming indebted. Secondly, documentation from WTE sites across the region, including in high-income Asian countries with stricter environmental and health regulations, not only reveal serious challenges in managing hazardous and toxic by-products, but also costly impacts on local environmental health and well-being, most particularly in relation to the livelihoods of waste workers. And thirdly, by categorically suggesting waste is a renewable source of energy (paragraph 77), the ADB fails to consider the [IPCC Report on Renewable Energy Sources and Climate Change Mitigation \(2011\)](#) that suggests only organic components of municipal solid waste³ should be considered as renewable. Indeed, the ADB's Working Paper fails to provide clear parameters on the category of waste, thereby opening the door to fossil-fuel based waste streams, such as plastics, to be considered 'renewable'.

Although the Working Paper suggests mitigating environmental and social impacts of WTE through the adoption of "best internationally available technologies" in the design and operation of such projects, no references are made to international obligations and standards relevant to mitigating the risks from WTE, such as the Stockholm Convention on Persistent Organic Pollutants, risking that voluntary corporate policies will be applied to address critical impacts of these projects on surrounding communities and ecosystems. As noted below, it is further concerning that the current iteration of the Working Paper omits any reference to a guidance note on waste-to-energy that would provide clarity on risk frameworks and implementation arrangements being considered for such investments.

³ From the perspective of NGO Forum on ADB's member organizations, waste-to-energy projects reliant on food waste (biogas) should - without exception - follow a strict waste hierarchy (i.e. ensuring reduction, re-distribution, conversion into animal feed, and composting as priorities), and should be operated at a decentralized level, averting associated emissions derived from long-distance hauling.

On the issue of biomass, we wish to raise the concern that the provisions in the Working Paper do not rule out support for co-firing fossil fuel based power projects with biomass, converting large-scale fossil fuel power projects to ones entirely reliant on biomass firing, or investments in new large-scale biomass generators. The lack of clarity on feedstock materials considered in the Working Paper significantly keeps options open for reliance on woody biomass from natural forests and/or plantations -- accordingly failing to take into consideration lifecycle associated greenhouse gas emissions, while also risking the undermining of climate resilience, exacerbating conflicts over land and forest resources, and threatening the livelihoods of forest dependent communities. We therefore urge the ADB to develop more stringent language in regards to financing biomass projects, and to explicitly integrate language that recognizes the critical need to avoid spurring onwards the range of ecological, social and economic problems often associated with such facilities.

Ensure Dispersed Sub-Projects Are Subjected to Strict Requirements for Public Disclosure, Robust Adherence to ADB Safeguards & Aligning with a 1.5C Trajectory

We are further concerned by the wide range of investments and projects, including those which are coal, oil and gas-related, that may currently be captured within the scope of the wording related to financial intermediaries, as outlined in paragraph 108 (i.e. that the “*ADB will use financial intermediation as an approach to supporting dispersed subprojects...for rural electrification, clean cooking, island energy supply, demand-side energy efficiency programs, and other programs that are not amenable to project loans or other investment modalities*”).

First and foremost, we take note there are no stated requirements for dispersed sub-projects to be disclosed from the outset of the project cycle, meaning civil society groups and affected communities will be systematically left without the key information required to understand which companies and project sites are being financed via this modality, and what institutions should be accordingly held accountable when grievances arise. Alarming, there are no accompanying provisions to explain how -- or indeed what -- assurances are in place for verifying that such dispersed projects will strictly adhere to the ADB's safeguard policy. For example, it is not clear how communities impacted by sub-projects financed via financial intermediary modalities will have opportunities to engage in robust, meaningful consultations or be positioned to submit concerns via the bank's own accountability mechanism and/or project-level grievance procedures.

In relation to how/if sub-projects will be Paris-aligned and comply with a 1.5C pathway, we question why the ADB has explicitly rejected the application of evidence-based and easily available screening tools used by other financial institutions to minimize investment exposure to fossil fuels (such as the [Global Coal Exit List](#)). In this regard, it remains significantly concerning for example, that provisions within the Working Paper referencing oil and gas investments clearly imply reliance on financial intermediation -- without any clarification whatsoever outlining parameters for Paris-alignment or safeguard compliance. We therefore reiterate our recommendations that the final language of the 2021 Energy Policy must require unequivocally binding standards on FIs to ensure these matters are duly taken into account.

Towards Meaningful Just Transitions, Genuinely Inclusive Planning and People-Centred Decentralized Access

Although we acknowledge that the ADB is taking an initial step towards investing in a “just transition,” the NGO Forum and our members, including those affiliated to workers’ support groups and alliances, street vendors, transport associations, local farming and peasant cooperatives, fisherfolk movements, Indigenous Peoples’ networks, women’s organizations, youth groups and differently-abled peoples’ alliances, remain alarmed by the vague, superficial referencing surrounding this concept in the ADB’s “Energy Policy Working Paper”. In particular, it fails to articulate any sense of meaningful accountability towards the concerns and demands as expressed by independent workers’ unions, associations, co-operatives and movements in-country, on site and/or in the respective local sectors, fully in line with core ILO conventions and other international rights-based standards. Nor does it take into account how planning and implementation of a just transition would happen with full, free, prior and informed consent of Indigenous Peoples and ethnic minorities in places where ancestral lands and territories are impacted, or of locally affected communities of fisherfolk and subsistence farmers, ensuring land rehabilitation, access and reform is prioritized alongside the closure of fossil fuel dependent industries.

From our perspective, green, just and inclusive transitions must be grounded in the different contexts and realities across the region⁴, but nevertheless ensure that matters related to peoples’ access to energy and power generation be wrested in the hands of the public, not the private sector, socially managed and operated at different levels through meaningful decision-making structures, including locally by communities.⁵ It must also prioritize decentralized systems as well as a socially and ecologically just transformation towards *real-zero* emissions and extraction of fossil fuels. It is in this light that we continue to be concerned by the current lack of substantive language in the Energy Policy Working Paper’s references to planning for a ‘just transition’.

Undisclosed/Unreferenced Guidance Notes

The NGO Forum on ADB has duly taken note of the provisions related to guidance notes on large hydropower and gas (paragraph 115), and remains accordingly concerned that no draft language has been made publicly accessible. This lack of disclosure means most importantly, that civil society organizations and networks are left without required information to have informed dialogues on the parameters of the gas and hydropower-related projects, investments as well as policy directions. In addition, we understand there is a directive on waste-to-energy in writing that will be/is being issued to staff in preparation for policy implementation purposes -- yet the Working Paper lacks any mention of such a document. Being left in the dark in this regard raises serious questions of accountability, as it means both affected communities and their allies are left without options to know what specific standards staff are guided by, whether -- or not -- they will be called

⁴ For a more context-specific overview of what inclusive, meaningful, sustainable and just transitions across Asia could look like, see the recent paper jointly published by Freedom From Debt Coalition, NGO Forum on ADB and Fair Finance Asia, [“Making a Green New Deal Work for the Working People of Asia,”](#) by Professor R. Ofreneo (2021).

⁵ For further articulation of the concept of “transformative energy”, see the joint publication by Centre for Energy, Ecology and Development (CEED) Philippines and the NGO Forum on ADB, [“Switching On”](#) (2021).

upon to uphold internationally accepted agreements and standards intended to avert associated social and environmental damage, or what -- if any -- meaningful channels exist by which to raise concerns.

Address Needs of Civil Society Across the Region

Finally, we wish to express our particular dismay that despite requests made by civil society groups in regards to the translating the initial draft policy released back in May 2021, this Working Paper has yet to be disclosed in any major regional languages (including but not limited to Russian, Hindi, Bahasa, Chinese and Thai) nor has it been made available with due regard for people with vision impairment. In our view, this is unacceptable, as it creates serious institutional barriers for civil society groups made up of populations across Central, South and Southeast Asia to provide meaningful, informed comments within the short two week window of time provided (Aug. 17th-31st) by SDCC.

Conclusions

In conclusion, we thank you for considering the above issues, which we hope will lead to vigorous dialogue and questions being raised as the policy moves forward in its final articulation to the ADB Board of Directors.

Endorsed by the following organizations -

350 Pilipinas, Philippines

350.org Asia, Regional

3s Rivers Protection Network (3srn), Cambodia

Aid/Watch, Australia

Aksi! For Gender, Social And Ecological Justice, Indonesia

Asian Peoples Movement On Debt And Development, Asia - Regional

Bangladesh Working Group On External Debt (Bwged), Bangladesh

Bindu, Bangladesh

Center For Energy, Ecology, And Development, Philippines

Center For Environment And Participatory Research - Cepr, Bangladesh

Centre For Environmental Justice, Sri Lanka

Centre For Human Rights And Development (Chrd), Mongolia

Citizens Forum For Mangalore Development, India

Clean (Coastal Livelihood And Environmental Action Network), Bangladesh

Climate Watch Thailand, Thailand

Coast Foundation, Bangladesh

Committee For The Abolition Of Third World Debt (Cadtm), India

Community Empowerment And Social Justice Network (Cemsoj), Nepal

Community Resource Centre, Thailand

Consumer Ngo, Mongolia

Culture And Environment Preservation Association, Cambodia

Eco-Social Development Organization(Esdo), Bangladesh

Eden Mohila College, Bangladesh

Environics Trust, India

Equitable Cambodia, Cambodia

Europe Solidaire Sans Frontières (Essf), France

Fian Sri Lanka, Sri Lanka

Fisheries Action Coalition Team, Cambodia

Freedom From Debt Coalition, Philippines

Fresh Eyes, United Kingdom

Gender Action, Usa

Global Alliance For Incinerator Alternatives, Asia Pacific
Growthwatch, India
Individual, India
Initiative For Right View, Bangladesh
Insaf Indian Social Action Forum, India
Insoco - Indian Solidarity Committee, India
International Association Of People's Lawyers, Australia
International Rivers, US
Joint Vountary Action For Legal Alternatives - Jvala, India
Karavali Karnataka Janabhivridhi Vedike, India
Karmojibi Nari, Bangladesh
Kruha, Indonesia
Lumière Synergie Pour Le Développement, Senegal
Mekong Community Institute Association, Thailand
Mekong Watch, Japan
Movement For Advancing Understanding Of Sustainability And Mutuality (Mausam), India
My Village (Mvi) Organization, Cambodia
Nadi Ghati Morcha, India
Nash Vek, Kyrgyzstan
National Adivasi Alliance, India
NGO Forum on Cambodia, Cambodia
Oil Change International, United States
Pakistan Fisher Folk Forum, Pakistan
Pakistan Kissan Rabita Committee, Pakistan
Progressive Plantation Workers Union (Ppwu), India
Public Services International, India
Recourse, Netherlands
Rivers Without Boundaries Coalition, Mongolia
Sangatya, India
Songshoptaque, Bangladesh
Sri Lanka Nature Group, Sri Lanka
Stiftung Asienhaus, Germany
Umeedenoo, Pakistan
University Of Dhaka, Bangladesh

Unmochon, Bangladesh

Urgewald, Germany

Womanhealth, Philippines

Youth Group On Protection Of Environment, Tajikistan

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Annex I:

Referenced Excerpts of Specific Paragraphs of the ADB Energy Policy Working Paper

On Carbon pricing and markets (para 48)

ADB will consider the social cost of carbon across all energy projects. A review of the empirical estimates of the global social cost of carbon reported by the Intergovernmental Panel on Climate Change suggests a unit value of \$43.20 per ton of CO₂ equivalent (2020 dollar), to be increased by 2% annually in real terms to allow for the potentially increasing marginal damage of global warming over time.¹⁷ This unit value can be used to estimate the value of avoided GHG emissions for projects that reduce emissions and the cost in damage created for projects that increase emissions. The unit value will be revised in the future as more and newer estimates of damages caused by climate change become available.

On Large-scale Hydropower (para. 69)

[...] ADB will only support large hydropower schemes that have been evaluated in a robust environmental and social assessment, including an ecologically led e-flow assessment, and after consideration of alternative locations and designs. This assessment must be based on up-to-date environmental and social baseline data, with particular attention paid to the cumulative impacts of the project on the aquatic and terrestrial ecosystem and on any affected communities. Independent environmental, social, and dam safety experts shall be involved from the start in a project's design and implementation. For all hydro plants, particular attention will be paid to ensuring an eco-sensitive design that encompasses an ecologically led environmental flow assessment and the inclusion of fish passes, ecological offsets, compensation for land acquisition and resettlement, and livelihood restoration in accordance with ADB's safeguard policy as well as international good practice for large hydropower projects.

In view of the number of aging hydropower plants in the Asia and Pacific region and the associated risks, ADB will support DMCs in rehabilitating or replacing structures as well as electrical, mechanical, and electromechanical equipment.

On Waste-to-energy (para. 71, 77)

ADB will support waste-to-energy investments for heat or electricity, provided that the feedstock for combustion results from a prudent order of waste management priorities...ADB will promote projects that consider holistically the order of priorities—first reducing waste generation, then exploiting the options for reusing and recycling materials, then using waste to generate energy or basic materials (such as those used in civil construction), followed by landfilling as the last option...The potential environmental and social impacts of waste-to-energy investments will be managed by using the best internationally available technologies in the design and operation of such projects (71).

Liquid and gaseous fuels represent another important avenue for providing a stable energy supply and storing energy from various renewable sources, including sustainably sourced biomass, waste, and variable renewable electricity. (77)

On Oil (para. 73)

[...] ADB may support projects with hybrid electricity solutions involving petroleum-based backup systems along with renewable energy for isolated grids, remote areas, and in fragile and conflict-affected situations

[...] ADB may, however, continue providing guarantees and loans to partner banks in DMCs that support the international trade and supply chains, which may involve trading in oil to support the immediate flows required to keep economies running in a few countries where there is little private sector support for such import risk. This support may be extended until coordination between multilateral development banks produces a shared approach to trade and supply chain financing in line with the Paris Agreement.

On Coal (para. 74)

ADB ... confirms its current practice of not financing new coal-based capacity for power and heat. ADB will not participate in investments to modernize, upgrade, or renovate coal facilities that will extend the life of existing coal-fired power and heating capacity. ADB will support DMCs in planning for the early retirement of coal-based power plants and in enhancing power generation dispatch regimes to discourage the use of high-emitting, inefficient coal-fired power plants. It will also support the decommissioning of coal-fired power plants and site redevelopment for new economic activity...In providing support for the phasing-out of coal, ADB will also help create new jobs in cooperation with the local communities and stakeholders. Comprehensive planning for a just transition will support ADB in these operations (para. 81).

On Gas (para. 75, 102)

[...] ADB may also finance investments in natural gas infrastructure—including gas T&D pipelines, liquefied natural gas terminals, and storage facilities—and natural gas-based end-use facilities subject to a set of screening criteria consistent with the Paris Agreement. ADB's support to a natural gas-based power generation project will be conditional on evidence that the project reduces emissions by directly displacing other fossil fuel-based thermal power capacity or that it results in a lower grid emission factor estimated as an average over its operational life. Natural gas investments may also be supported if they serve space heating, cooling, domestic demand, industrial energy applications, or distributed electricity generation to improve energy access, provided it is demonstrated that the projects displace more polluting fuels such as coal, coal-based town gas, or oil....(para 75)

**Also: "ADB will promote regional cooperation through policy dialogue, knowledge sharing, and investments in electricity and natural gas network infrastructure and cross-border energy trading..." (para 102)*

On Carbon Capture (para. 76, 77)

ADB will support carbon capture, use, and storage technologies for power plants and industries. ADB will continue to provide capacity development, technical assistance, and regulatory advice in support of DMC programs to identify and remove hurdles to the development, demonstration, and commercialization of CCUS systems. ADB recognizes the crucial role of these technologies in the long term, particularly for industrial activities that are difficult to decarbonize, and will help

DMCs advance their capacity to plan for and deploy such systems, including through financing for CCUS facilities. ADB will not finance CCUS in the context of enhanced oil recovery. (p. 76)

In the future, [...] synthetic fuels based on sustainable hydrogen and carbon capture, may also provide alternatives that can replace the use of fossil fuels in various industries, while at the same time not undermining food security. (p. 77)

On Biogas (para. 77)

ADB will support DMCs in developing and using advanced biofuels; this includes helping them build larger, centralized biogas units that produce methane for power generation, transport, or for sale to the natural gas network.

On Nuclear (para 78)

...ADB recognizes the role of nuclear energy in the low-carbon transition given its ability to provide low-carbon baseload electricity, and will include nuclear analysis in the development of long-term energy plans and climate strategies, as appropriate. However, ADB will not finance investments in nuclear power given the many barriers to its deployment, including risks related to nuclear proliferation, waste management and safety issues

On Just Transition (para 81)

The transition to a carbon-neutral economy will affect every aspect of how we produce goods and provide services, particularly in conventional energy industries. It will considerably affect workers and communities, as well as future jobs and demand for skills. Planning for a just transition will be critical in managing this process; the aim is to mitigate negative socioeconomic impacts and increase opportunities associated with the transition; support affected workers and communities; and enhance access to sustainable, inclusive, and resilient livelihoods for all. ADB will work with DMCs to support such planning in a way that involves all relevant stakeholders and affected groups at all stages of the energy transition.

On guidance notes (para 115)

ADB's Energy Sector Group will prepare staff guidance on the screening criteria for projects involving natural gas and large hydropower plants