NGO Forum on ADB Joint Reflections on the ADB Draft Energy Policy
30 June 2021

Background and Introduction

In August 2020, the ADB’s Independent Evaluation Department (IED) published a sector-wide evaluation on the Bank's energy financing portfolio and policy over the past decade (2009-2019)\(^1\). Over that time, the IED indicated that 42.5 billion USD was allocated by the ADB to the sector (second only in volume to that of transport), 50% of which was targeted towards four countries alone (India, Pakistan, Indonesia, and Bangladesh), and increasingly concentrated in the private sector. It also found that the ADB had given "limited attention" to support energy access for remote communities and most marginalized populations\(^2\) (such as through locally scaled mini- and microgrid solutions), instead prioritizing large-scale infrastructure projects that have entailed "limited due diligence". As a result, the IED suggested that to date, the ADB has by and large not been successful in systematically meeting the energy needs of borrowing countries' populations. The IED concluded that the ADB should, as a priority, update its 2009 Energy Policy to ensure alignment with the institutional priorities of Strategy 2030 and incorporate a formal withdrawal from financing of new coal power projects along with support to borrowing member countries for a rapid phase-out of coal-based energy infrastructure, as well as stricter guidelines for supporting fossil gas and oil.

While the IED’s recommendations were not ambitious enough to recommend the IPCC Pathway 1 scenario for Paris 1.5 degree alignment -- as demanded by civil society -- we as NGO Forum on ADB recognize the IED's recommendations as a critical indication that the ADB is long overdue in evaluating and overhauling its current Energy Policy.

As the ADB staff began preparing their draft Energy Policy paper earlier this year, civil society organizations across the world -- including the NGO Forum on ADB -- formally submitted to the ADB management their own assessment of the damaging legacy wrought on communities by the ADB's 2009 Energy Policy, titled *Global Civil Society Demand Statement For A Clean, Just, And Fossil Free ADB Energy Policy*\(^3\) in March 2021.

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\(^2\) Ibid. p. 10
It wasn’t until May 2021 that the ADB’s Sustainable Development and Climate Change Department (SDCC) formally published the draft of the new proposed energy policy, open for limited comments via an online portal until the end of June 2021. The NGO Forum on ADB (Forum), as an alliance of civil society organizations, groups, and communities grounded in the realities of South, Southeast, and Central Asia, welcomes this opportunity to give input. However, we note with regret how local peoples’ networks and groups representing populations most affected by the ADB’s energy portfolio have been to date shut out of meaningful consultation processes for the policy draft, given that there are no translated versions, a lack of explicitly encrypted options for digital submissions of comments, limited opportunities to give input during interactions with responsible ADB personnel, and a lack of any clarity on how input will be taken into account, or precise timelines for doing so. Despite these critical questions surrounding the transparency and openness of the process for addressing concerns of the very communities that ADB’s energy sector projects and investments affect, the NGO Forum on ADB submits the following analysis in good faith.

Comments and Recommendations on the Draft Policy’s “Background and Introduction” and “Changing Energy Landscape”

From the outset, the Forum appreciates the ADB’s decision to formally abandon its association with new coal power projects as recommended by the IED. This commitment must -- without exception -- extend to all support funneled through financial intermediary modalities. As a step in this direction, we suggest identifying that the bank will explicitly withdraw support for those businesses with no stated intention to phase out involvement in the coal sector along 2030/40 timelines as identified in the internationally recognized Global Coal Exit List (GCEL). As the IFC’s Head of Climate Finance, Peter Cashion, has already affirmed, "The GCEL is a one-of-a-kind resource for investors and financial institutions that want to understand and manage climate risks in their portfolios."

Furthermore, although we welcome the ADB’s stated interest in expanding its portfolio in small-scale, renewable energy investments, we urge the bank to more explicitly offer support for appropriately-scaled, non-resource intensive renewable and locally managed electrification options, consistently integrating this priority into the policy. In this regard, we question how the stated prioritization of regional/cross-border connectivity infrastructure, including installation of high voltage transmission lines and gas pipelines along with suggested investments in large scale, resource-intensive infrastructure projects (such as multi-purpose large-scale dams and waste-to-energy facilities) with major social, environmental and climate consequences, will not result in repeated failure to meet the actual needs of remote and marginalized populations.

It is now critical that the ADB seize upon this opportunity to become a Paris-aligned financial institution (inclusive of projects financed, investments, and operational policies), supporting just transitions across Asia with due attention to its own safeguards and international human rights standards. Indeed, the draft policy explicitly acknowledges that the previous 2009 Energy Policy was not climate-responsive -- and as such, needs to be updated in light of borrowing member countries’ respective Nationally Determined Contribution plans and commitments under the Paris Climate Accord. This shift is, in principle, supported by civil society, but a detailed articulation is needed on the overall phasing out from fossil fuels by the
ADB to align with the Paris Agreement. Accordingly, we recommend that ADB's Energy Policy explicitly support the IPCC's Pathway 1 scenario as an overarching policy objective. The science already exists to tell us this is the best option that we have to avert reaching a tipping point when mitigation, adaptation, and resilience in the face of climate change may no longer be possible. This forward-looking shift requires nothing less of the ADB than to fully invest in spurring on the advance of non-resource intensive, appropriately scaled options for the energy sector reliant on the power of the sun and wind.

While the ADB pivots its investments away from fossil fuels and into renewable energy, we strongly urge the ADB to proactively support measures that facilitate the just transition of the labor force from the fossil fuel-related industries to the renewable energy sector, in line with ILO core conventions. A full and just transition in borrowing countries will require the labor force's participation -- on their terms and in good faith -- and in supporting this shift, the ADB accordingly has a responsibility to ensure jobs created in the renewable energy sector enable socially just transitions. Concretely, it means supporting borrowing member countries in leaping towards renewables, rather than contributing to any stalling along the way by offering unnecessary support for fossil gas.

If "Paris alignment" is to be among the goals of the ADB, then first and foremost, a priority should be to support member countries in averting carbon overshoot, keeping fossil gas in the ground. Any reference to carbon neutrality must be clarified with specific measurables and timelines as the definition remains loose and accounting methodologies opaque. We therefore, hope that a final draft will integrate a more consistent perspective on the imperative to shift towards scaling up affordable, accessible, renewable energy to meet the health and well-being of the public, offering not only the best hope we have to limit global heating, but also for community-based resilience during the recovery from Covid-19. In this regard, we suggest that references to SDG 7 (on energy access for all) be consistently coupled with SDG 13 (on climate action).

The policy's framing of the role of gas as articulated in Section 20 appears to reiterate the obsolete assumption that it can continue to function as a transition fuel despite the "deep decarbonization" required by the Paris Agreement. This approach to fossil gas is no longer scientifically or economically tenable. Cleaner, cheaper power options are available at a viable cost and scale for national deployment across the region. In light of the climate crisis, locking member countries into reliance on new fossil fuel infrastructure, subject to volatile international markets, would appear to be an environmentally, socially, and economically irresponsible investment choice given the ADB's limited resources. Grave environmental and human rights tolls associated with the gas value chain mean it simply cannot be part of a vision of a climate-resilient future -- either for affected communities or the planet at large. Indeed, now that renewables are competitive options, building additional gas infrastructure multi-decade lifespans will now be displacing renewable energy. This is, therefore, a position that has no place in a forward-looking policy intended to be both Paris and SDG-aligned.

By ending all direct and indirect support for gas power plants and other gas infrastructures, such as pipelines and LNG, the ADB can take the lead in the region, championing a just transition and recovery from Covid-19. However, if the ADB continues to finance gas projects, all funding should be assessed through strict criteria, excluding projects that don't eventually transition reliance to renewables in a time-bound manner and are non-compliant with stringent
emissions standards. These additional criteria are recommended to limit the entry of gas projects and allow only those projects with allowable emissions according to climate science.

We also note that waste incineration statistically stands among the most polluting energy sources with high carbon intensity, second only to coal projects. Sustained operations require a vast amount of waste to be burnt for 20-25 years, including typically plastic feedstock, which could otherwise be recycled or reused. During this policy review, civil society groups have submitted several letters and statements to ADB calling out an end to WTE incinerator investments. These projects should also be dropped from the pipeline of any viable decarbonization energy plan promoted by the ADB for borrowing member countries.

**Comments and Recommendations on the “Objectives and Guiding Principles of the Energy Policy”**

The ADB indicates that it will rely on a list of types of projects that can be categorized as aligned or not aligned with the Paris goals. However, the question of which types of projects would be classified as such would vary depending on which Paris goal is being pursued. Thus, we recommend that decisions must be made in consideration of appropriate strategies that will align to limiting warming to 1.5°C, and further, that an objective of Paris alignment explicitly takes into consideration obligations incorporated into the Agreement’s preamble (e.g. respecting Indigenous Peoples’, local community and women’s rights as well as the right to health as per international standards). In addition, as waste incineration is the most expensive way to produce energy and manage waste, it is neither aligned with a 1.5C future, nor acts as a least-cost stable energy supply. Meanwhile, neither large-scale hydro nor geothermal projects should be considered among the menu of options for financing resilient and just transitions.

In relation to shadow carbon pricing (Section 33), the ADB suggests a cost of only 36.3 USD per ton of tCO2, increased by 2% annually in real terms, which is the same price that ADB adopted in its revised Guidelines for the Economic Analysis of Projects released in March 2017. ADB cites the IPCC’s Fifth Assessment Report as a reference. However, this is a report that was published prior to the IPCC’s Special Report on Global Warming of 1.5°C, which found a robust difference in climate impacts and associated risks, and emissions pathways and system transitions, between 1.5°C and 2°C global warming. A 36.30 USD/tCO2 is among the lowest carbon prices imposed by MDBs in the upper range of mid 55 USD/tCO2. The High-Level Commission on Carbon Prices suggests that the explicit carbon-price level consistent with achieving the Paris 2°C temperature target is at least USD 50–100/tCO2 by 2030. We recommend 100USD/tCO2 by 2030 as the baseline, with a determined faster and a higher rate of increase until 2050, to approximate the cost that is closer to achieving the 1.5°C goals.

Section 37 mentions that ADB will ratchet up private-sector lending, increasing it to one-third of the share of ADB lending by 2025 by increasing it to more than 50% of current levels. While the draft policy states that non-sovereign energy operations, including lending through

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financial intermediaries, will align with ADB’s Strategy 2030 vision, it severely lacks language on the necessary measures to ensure this, let alone compliance with the Bank’s safeguard standards and Paris alignment. An increase in the movement of capital towards the private sector necessitates an increase in the Bank’s responsibility to monitor and assess how its loans are being used and ensure that its private sector clients hold the same visions and principles for the sector. In this regard, we note with concern that the substantive references to energy connectivity in fragile and conflict-affected states (Sections 35 and 39) suggest that private sector operations will be prioritized. It is not clear how alignment with the ADB’s safeguards will be verified in this context, especially given that opportunities for safe, inclusive, participatory, gender-sensitive project consultations free from the threat of reprisals would be highly limited, if not impossible, as would verification as to whether free, prior and informed consent is granted in cases where affected communities identify as Indigenous Peoples. In addition, operations would be rolled out where civil society groups cannot safely conduct external monitoring work free of fear of reprisals.

In principle, the new ADB Energy Policy should not commit the ADB’s limited resources to advise borrowing member countries to liberalize, unbundle or further open up their sectors for private ownership without first assessing whether the social, environmental, and economic impacts of the ADB’s own financing to countries in this regard currently are falling in line with the standards outlined in the Bank’s safeguards. Furthermore, we suggest that dispersed private sector/financial intermediary modalities not be promoted as a means to financing operations in fragile and conflict-affected states, given the lack of clear ways to ensure transparency and compliance with safeguards.

The Forum takes note that Section 43 reiterates the ADB’s commitment to withdraw from financing coal-powered projects and to support the rapid phaseout of reliance on coal generation. However, there is no indication of how the ADB will deal with its existing investments in coal. We therefore, urge the ADB to include ADB-financed coal projects in the rapid and planned coal phaseout, including the Jamshoro coal plant, which is still an active loan project.

Furthermore, regional and cross-border grids reliant on high voltage transmission lines are typically connected to large scale infrastructure and should be carefully assessed to ensure that the projects to which the ADB provides energy connectivity do not violate safeguard and international human rights standards, including the rights of affected Indigenous Peoples’ populations to free, prior and informed consent.
Comments and Recommendations on “The Energy Policy”

On “Securing Energy for a Prosperous and Inclusive Asia and the Pacific”
While the Forum welcomes the Bank’s suggested commitment to support borrowing member countries meet SDG 7 by focusing on ‘last mile’ electrification needs, including local cooking and heating options, we recommend the energy policy should explicitly remove considerations related to reliance on fossil fuels -- not only because of the implications for the climate, but also as it is not an appropriate solution for local economies to rely upon given the price volatility and lack of guarantees of consistent, affordable access. Instead, we suggest the ADB should include specific financing targets for community and publicly owned distributed renewable energy and metrics to ensure these projects promote decent work and affordable energy. The policy must directly allow direct grants and concessional finance for DMC governments to own and operate integrated renewable energy systems.

Community participation and women’s engagement in the planning process of rolling out off-grid and microgrid solutions is important, but such engagement should not be a mere ‘check-box’ exercise to confirm that diverse voices are heard. Such involvement is only meaningful if there are clear provisions and lines of accountability surrounding how input will be integrated into project design, implementation, assessment, and a clear process to hold decision-makers to account. Indeed, if the ADB equates gender mainstreaming with access to energy, jobs, and limited input within predetermined project cycles, systemic gender inequalities in relation to access to communal/shared resources may be exacerbated due to project citing decisions to which they may not have had opportunities to change.

Beyond considering community consultation processes for ‘last mile’ projects, we would recommend the ADB consider how its support to borrowing member countries in the upstream energy planning and project selection processes could integrate best practices of inclusive, participatory citizen involvement, including ensuring gender parity. Furthermore, when the ADB is financing operations in fragile and conflict-affected states, the Bank must verify how women’s organizations will have meaningful opportunities to contribute to local and national planning processes, as per UN Security Council Resolution 1325.

On “Building a Sustainable and Resilient Energy Future”
This section explicitly recognizes that the Asian region is, without exception, vulnerable to climate change, exposed to natural hazards like earthquakes and tsunamis. It is also informed by the suggestion that reliance on fossil fuels comes with significant environmental and health damage, which “undermine[s] the steadiness of the development efforts and pursuit of well-being in the region’s DMCs.” This acknowledgment that reliance on fossil fuels benefits neither national development nor peoples’ well-being should remain consistent throughout the draft policy, including language on fossil fuel investments. In addition, changes in hydrology that impact access to water resources are suggested as among the key impacts of climate change. In this regard, then, large-scale hydropower and geothermal projects, both known to have serious impacts on underground water flows and riparian ecosystems, would be questionable investments -- if climate mitigation and adaptation are indeed to be prioritized.
We also note with concern that Section 67 generally mentions that the Energy Policy will be compliant to ADB safeguards. The Forum would recommend this statement be specifically strengthened by replacing "will" with the operative "must". Furthermore, it should be noted that the gendered, socio-economic, rights-based, and environmental impacts of energy sector operations all should duly receive attention, not just for the sake of avoiding, minimizing, and mitigating environmental implications.

In Relation to Support for Large-scale / Multi-Purpose Hydropower Projects
Based on the track record of the ADB’s investments in large hydropower projects and the reality that large dam reservoirs are a major source of methane emissions, the Forum suggests that the ADB’s new energy policy should consider such projects neither sustainable nor resilient in the face of climate change. Indeed, they have been shown across the region to represent a significant threat to biodiversity and destroy critical ecosystems, including in the Mekong and Himalayan regions. This has been, for example, verified in a recent Mekong River Commission Council Study, which confirmed that proposed dam developments would be “likely to reduce resilience and increase the vulnerability of rural communities in the Mekong impact corridor, with the main benefits going to power companies and consumers mainly outside the corridor at the expense of fishing and rural households.”

The dispossession of communities that live in areas designated for dam reservoirs, the havoc wreaked on the lives of people living downstream and upstream, exacerbated socio-economic inequalities of entire populations, and the destruction of resilient, intact river sheds are all well-documented impacts of multi-purpose and large-scale dams, and cannot be considered sustainable. This is particularly critical now when climate change is already impacting weather patterns -- meaning that in times of extended droughts, expected power generation by hydropower projects is no longer possible, while in times of heavy rainfall, sudden unannounced releases of water from reservoirs upstream can lead to devastating flooding in downstream areas. As a result, we recommend removing references to “sustainable hydropower” from the new Energy Policy. Indeed, given the need for the ADB to prioritize its use of funds at this juncture in time, decentralized options for power generation would offer ways to meet the energy needs of people without putting at risk thousands of peoples livelihoods for projects that may never be possible to operationalize due to climate-related hydrological fluctuations. Significantly, in recent years, evidence has emerged that installing new solar and wind projects is already outpacing the development of hydropower dams in the Mekong region. Moving forward, we suggest it’s time for the ADB to take stock of these trends and leave large-scale dams out of the ‘renewable energy mix’ considered for the new Energy Policy.

In relation to Support for Waste-to-Energy Projects (WtE)
Sections 82, 90, and 98 suggest explicit support for waste incineration by labeling the criteria as “feedstock for combustion,” which refers to all thermal WtE systems, without exception. However, thermal waste to energy operations produces toxic ash and emissions containing heavy metals and persistent organic pollutants. Yet, borrowing member countries typically lack robust regulatory standards and systems for disposal, thereby placing surrounding communities at risk of severe air, water, and land contamination. Therefore, clear screening criteria should be stated in the draft policy, rather than relegated to internal guidance notes for staff, ensuring that investment decisions are made based on robust consideration of waste hierarchies, along with the social, environmental, and economic impacts. Moreover, the notion
suggested in the draft policy that burning biomass could be undertaken using WTE systems could trigger deforestation in surrounding areas if clear measures are not in place to clarify what is intended as feedstock.

In effect, suggesting Waste-to-Energy projects act as sustainable renewable energy sources to be relied upon like solar and wind-powered options -- as implied in the draft policy -- relies on misconceptions not grounded in the practical evidence-based resulting from operational impacts, including as documented at ADB project sites in Sri Lanka and the Philippines. Waste incinerator facilities burn waste, which includes plastic materials as feedstock (i.e., sourced from oil-based products and potentially recyclable), and can be thus considered as a carbon-intensive form of energy that fails to be aligned with Paris Agreement commitments. Significantly, waste incinerators, along with other thermal waste-to-energy systems, cannot serve as a stable energy source as they lock governments into meeting feedstock quotas through put-or-pay contracts that hinder waste reduction, recycling, and composting measures. Far too often, cities cannot supply a steady amount of waste to the facility. With negative health impacts for both workers and communities, support for waste incineration should also not be considered a viable part of a just transition or green, just recovery from COVID-19. Indeed, given the systematic lack of transparency and access to information surrounding such project operations, it is unclear how full social and environmental risk impacts will be assessed before project implementation or how these impacts would be avoided and compensated during implementation stages. Therefore, we would recommend the ADB withdraw waste-to-energy from its list of renewable energy options to be either financed or be considered within the scope of advice provided to borrowing member countries.

In relation to Support for Gas Project Investments
For the Bank to ensure its financing aligns with a 1.5°C Goal/IPCC Pathway 1, we recommend a full withdrawal from financing all fossil fuel projects -- including midstream and downstream gas financing and support -- through technical assistance grants, associated facilities, and policy advice. Given the ADB’s finite financial resources available for dispersal, financing for renewable energy projects through scaling up existing plans and ambition for renewable energy development should instead be prioritized. ADB should avert enabling further fossil gas financing, instead letting other financial entities pursue gas financing when necessary. This would entail adjusting the bank’s position on fossil gas, removing both conditions when financing fossil gas are permissible and when regional connectivity for gas-related infrastructure will be supported. These provisions to avert support for fossil gas should then also be extended to indirect investments through financial intermediaries or other financial modalities.

In relation to the ADB’s suggestion of increased investments in carbon capture and storage projects, the Forum recommends withdrawing such project support at this time, given the reliance on unproven and expensive technologies that divert public finance away from a just transition and viable renewable energy options.
In relation to Re-engineering/Retrofitting Fossil Fuel Projects

Clear assessment guidelines are needed to prioritize closing and retrofitting sites in a manner that is consistent with a 1.5C pathway, advances a just transition for workers and communities affected, and ensures full closure of the site with full ecological rehabilitation. In this regard, the Forum recommends that project selection start off, prioritizing those financed by the ADB in the past. Since the Bank commits to support the early retirement and decommissioning of coal power plants, we recommend that it starts with ADB-funded coal projects. Given the Bank’s familiarity with these projects and proponents, the Bank can more easily encourage and assist in the early retirement or decommissioning.

On Financial Intermediaries and Increased Support for the Private Sector

In relation to the ADB’s stated intention to grow its private and non-sovereign portfolio in the sector for energy, we note there are no detailed provisions on how the bank will prevent financing of coal, oil, and gas or other non-Paris aligned projects when resources are funneled through financial intermediaries (FIs). Many of the ADB’s peer MDBs, including the World Bank Group and European Investment Bank, have already started to limit lending to financial intermediaries for some or all fossil fuels.

Specifically, Section 130 indicates the prioritization of dispersed subprojects relying on FIs. ADB’s indirect lending to financial intermediaries (FIs) is growing rapidly, increasing tenfold in just a decade. At the same time, a recent internal ADB evaluation pointed to problems with environmental and social protections in indirect lending, suggesting “projects implemented through FIs have remained the weakest performers on safeguards.” This increases the risk of ADB funds being used to support fossil fuel projects. Although the draft policy promises enhanced transparency, there is currently little to no public disclosure of which sub-projects are supported via ADB FI investments, with environmental and social information routinely redacted. Without transparency, it will be impossible to track and assess ADB’s commitments with regard to fossil fuels in its FI lending portfolio. The ADB also has an obligation to ensure that all communities affected by subprojects are aware that project financing is associated with the bank. Therefore, we suggest that at a minimum, there must be a disclosure of all subprojects and separate assessments to ensure safeguard compliance and Paris alignment in advance of project approval.

Furthermore, it is not clear how the suggestion to incentivize private sector involvement, including through public-private partnerships and providing advice to governments for liberalizing the sector, will ensure due consideration of the central guiding principles outlined by the ADB in earlier provisions related to just transition, compliance with safeguards, and meeting the needs of marginalized/remote communities. Given that the private sector’s incentive is to drive up profit margins, it is particularly questionable how the ADB would intervene effectively to ensure marginalized communities do not remain under-served or left with sub-quality or unaffordable services.
As a priority, the ADB must first support and assist borrowing countries in assessing the real impacts of privatization and deregulation in their energy sectors.  

On Subsidy Reform
It is positive to see that sections 101 to 105 clearly articulate the problems associated with fossil fuel subsidies -- which are a direct obstacle to renewable energy transition and investment. We have seen that power-producing companies in countries such as Bangladesh and Thailand, have required capacity charge payments from governments even when power plants have not been in operation. Such price distortions and unabated support for fossil fuel-based power generation through subsidization directly threaten our collective future. While Section 105 alludes to removing fossil fuel subsidies, it still fails to articulate in explicit terms how current users will be able to protect themselves from further increases in electricity charges. In this context, there is the risk that power companies and private distributors will shift the financial burdens onto users if government subsidies are no longer provided. Therefore, the ADB’s new energy policy should elaborate a clear plan for ensuring marginalized populations will be insulated from price spikes when reforms related to the phasing out of fossil fuel subsidies are implemented.

On Integrated Energy Planning
In relation to the suggestions articulated in Sections 111 and 112, the ADB should be explicit in how civil society and community participation will be integrated into all energy-related planning processes. Energy planning processes generally fail to be inclusive, with long-term power plans and project-related decisions across the region being crafted behind closed doors by government officials, private sector power companies, and MDB-associated staff or consultants. These plans do not reflect the views and concerns of a vast majority of people, particularly the most marginalized in urban and rural communities. In practice, one result of such isolated and exclusive decision-making approaches is the systematic development of overcapacity in power generation, as can be observed in Thailand and Bangladesh at this time.

In contrast, high-level planning processes must be explicitly centered upon principles of Integrated Energy Planning, and accordingly be considered within the scope of the ADB’s engagement with borrowing country governments. Ensuring marginalized populations are more systematically involved in upstream energy sector planning is imperative. Otherwise, long-term plans for meeting SDG7 will fall far short of real, lasting results grounded in meeting the needs of diverse populations. Significantly, civil society groups in South and Southeast Asia, for example, have already been advancing pro-people energy plans, concretely showing how alternative planning processes can be put into practice while championing a future that is simultaneously Paris-aligned, rights-based, inclusive, and rooted in a view towards just transition.

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6 For instance, in the Philippines, the ADB assisted the government in restructuring and privatizing the power industry by enacting the Electric Power Industry Reform Act of 2001 (EPIRA). However, the EPIRA directly led to electricity rates in the country being monopolized by the private sector, resulting in arbitrarily high user fees being charged by Meralco over the years during peak and off-peak seasons without government regulatory oversight control. According to the Global Retail Electricity Tariff Survey conducted by the International Energy Consultants, the Philippines ranked 2nd in Asia and 24th globally in expensive electricity prices. Furthermore, the 37th EPIRA Implementation Status Report revealed that its average electricity rate in 2020 is its highest in the last 3 years.
On “Integrated Cross Sectoral Operations to Maximize Development Impact”

On the issue of projects pertaining to cross-border electricity transmission, distribution, and trade, the existing power dynamics -- both in relation to states and powerful corporate players -- in sub-regions should be closely reviewed. The ADB must ensure that cross-border investments and projects do not further exacerbate the unequal power dynamics in each region. Specifically, we also note that in regard to Section 126, the provision stipulating that the bank “will refrain from supporting dedicated cross border transmission lines linked to coal-fired power plants,” should in fact be expanded, by adding large-scale hydropower and waste-to-energy projects to the list of exclusions.

Significantly, spurring on regional integration jeopardizes energy sovereignty and fails to consider energy as a part of a shared commons. While members of the Forum are in some cases witnessing the direct threat posed by LNG importation to domestic energy resources and pricing, in other instances, members are confronting the reality that cross-border sales of electricity in no way alleviate -- but rather exacerbate -- regional inequalities and energy poverty. Going forward, the ADB must be mindful of the actual implications for communities on either side of national borders that result from the regional integration agenda it promotes.

**Concluding Thoughts**

This policy submission incorporates the views of a wide range of civil society groups across the region and beyond. We hope that this submission will be considered a basis for further forms of engagement, including in relation to key areas such as gas, private sector operations, large hydro, waste-to-energy, and others.

We look forward to your comments and thoughts on these suggestions and hope the recommendations will be duly reflected in the version of the Energy Policy that will be advanced to the Board for consideration -- one which is aligned with IPCC Pathway 1 and upholds unequivocal support for meaningful, just transitions across the region.

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NGO Forum on ADB
Endorsed by the following organizations –

350 Pilipinas, Philippines
350.org Asia, Asia
Aksi! for gender, social and ecological justice, Indonesia
ALTSEAN-Burma, Burma
An organization for Socio Economic Development, Bangladesh
Asian Energy Network, Philippines
Asian Peoples Movement on Debt and Development (APMDD), Regional / Asia
Bangladesh Working Group on External Debt, Bangladesh
Blue Dalian, China
Both ENDS, Netherlands
Buliisa Initiative for Rural Development Organisation (BIRUDO), Uganda
Center for Energy, Ecology, and Development, Philippines
Centre For Environmental Justice, Sri Lanka
Chairperson Oil Workers’ Rights Protection Organization Public Union, Azerbaijan
Change Initiatives, Bangladesh
CLEAN (Coastal Livelihood and Environmental Action Network), Bangladesh
Climate Watch Thailand, Thailand
Collective for Economic Justice, India
Committee for the Abolition of Illegitimate Debt (CADTM), India
Community Empowerment and Social Justice Network (CEMSOJ), Nepal
Community Resource Centre, Thailand
Consfound, Mongolia
EarthRights International, Mekong Region
Environics Trust, India
Environmental public society, Armenia
Equitable Cambodia, Cambodia
Food first Information & Action Network (FIAN), Sri Lanka
Freedom from Debt Coalition, Philippines
Fresh Eyes, United Kingdom
Gender Action, Global
Global Alliance for Incinerator Alternatives (GAIA) - Asia Pacific, Asia Pacific region
Global Rights, Nigeria
Green Advocates International, Liberia
Green Alternative, Georgia
Grootouders voor het Klimaat, Belgium
Growthwatch, India
Indian Social Action Forum (INSAF), India
Initiative for Right View, Bangladesh
Integrated Community & Industrial Development Initiative, Bangladesh
International Accountability Project, USA
International Association of People's Lawyers, Australia
International Rivers, United States
Japan Center for a Sustainable Environment and Society (JACSES), Japan
Kilos Maralita, Philippines
KRuHA - people's coalition for the right to water, Indonesia
Law and Policy of Sustainable Development, Vietnam
Life Haven Center for Independent Living, Philippines
Mangrove Action Project, USA
Mekong Watch, Japan
Nash Vek, Kyrgyzstan
Oil Change International, United States
Oil Workers' Rights Protection Organization Public Union, Azerbaijan
Oxfam in Cambodia, Cambodia
Oyu Tolgoi Watch, Mongolia
People's Health Movement Nepal, Nepal
Peoples Development Institute, Philippines
Prantojon, India
Progressive Plantation Workers Union (PPWU), India
Public Services International, India
RDO, Pakistan
Recourse, Netherlands
Rivers without Boundaries Coalition, Mongolia
Rivers without Boundaries, Russia
Scholar Tree Alliance, China
Snow Alliance, China
Sri Lanka Nature Group, Sri Lanka
Umeedenoo, Pakistan
University of the Philippines Center for Integrative and Development Studies, Program on Alternative Development (UP CIDS AltDev), Philippines
urgewald e.V., Germany
WomanHealth Philippines, Philippines
Witness Radio, Uganda
Youth Group on Protection of Environment, Tajikistan
Youthnet for climate justice Bangladesh, Bangladesh
YPSA, Bangladesh