ACEF 2020 Statement
NGO Forum on ADB

Preamble
As the Asia Clean Energy Forum (ACEF) 2020 gets underway, the NGO Forum on ADB and our partner CSOs and communities advance the following statement -- marking our significant concerns with the ADB’s energy investment track record, current and pipeline portfolio, policy framework and priorities ahead. We acknowledge this year’s thematic focus is centered upon building an inclusive, resilient sustainable energy future, recovering and rebounding from the social and economic crisis of the pandemic. Notably, it kick-starts with a session facilitated by UNESCAP, SE4All, and development partners about sustainable and green finance futures. Yet, the stark reality is that the ADB’s policies and practices effectively fail to reflect such a vision, to date, undermining rather than upholding the just, appropriately scaled, and participatory energy transition urgently needed by these times -- and the diverse peoples of the region.

The Forum also notes that this year the ACEF has shifted to an online virtual platform, which we recognize is necessary for light of the COVID 19 pandemic. However, the current format has failed to provide appropriately inclusive options for civil society groups in many member countries to participate. Therefore, in order for their future forums to be more inclusive, from the get-go, they must first and foremost consider improvements on how under the “new norms” of operating they can engage in more robust, inclusive ways with concerned communities and civil society.

Worsening climate crisis amidst the pandemic
According to the Economic Research Institute for ASEAN and East Asia, (ERIA), the current pandemic directly threatens the region’s physical and economic health. The postponement of the 2020 United Nations Climate Change Conference (COP26) to 2021 has been viewed by civil society as a major setback for global action aiming at new pledges to meet the Paris Agreement goal. Aside from the COVID - 19 pandemic impact, the climate crisis still looms hauntingly overhead for the region. According to an Asian Development Bank (ADB) report in 2017 on climate risk in Asia, it was estimated that global flood losses are expected to increase to $52 billion per year by 2050 from $6 billion in 2005. The ADB report also identified that food shortage due to climate impacts could increase the number of malnourished children in South Asia by 7 million. As the effects of increases in anthropogenic pollution and climate change intensify, environmental crises are increasingly devastating the lives, health, and livelihoods of...
people around the globe, especially those who are most marginalized, including women, Indigenous peoples, and people living in poverty.

As such, the Forum urges the ADB to take full account for coordinating a community responsive restoration of the devastating environmental and social implications of the ADB’s past and present energy portfolio, but also revisit and revise financing ventures in the pipeline/approved that are yet to be rolled out, as the majority to date fail to seriously take account of the finite resources, appropriately scaled and expressed concerns of communities and just energy transition required. We urge ADB to support communities, governments, and other actors to implement robust and rights-respecting climate mitigation and adaptation policies.

2009 Energy Policy and recent developments

- Unfortunately, the ADB’s carbon-intensive energy portfolio is rooted in the fact that its “clean” energy agenda is a grave misnomer. Although climate change is considered as a key issue in the ADB Energy Policy of 2009, the Bank itself admits that not all of its clean energy investments are considered climate investments. Without strict criteria for “clean” energy and a firm exclusion for the financing of coal projects, the 2009 Energy Policy has enabled the Bank to make dirty commitments, providing a crutch for the next generation of advanced coal and fossil gas power plants.

- The ADB is ramping up its financing on fossil gas power plants such as controversial Turkmenistan - Afghanistan - Pakistan - India (TAPI) gas pipeline project under the pipeline. The bank has also funded the Rupsha 800 MW Combined Cycle Power Plant in Bangladesh despite its close proximity to the Sundarban Mangrove Forest threatening the livelihoods of about 1,500 fisherfolk communities due to the effluent waste. The ADB is also financing a couple of waste-to-energy projects touted as renewable projects but poses risk in contaminating air, water, and soil in Southern Thailand as well as dam infrastructure on climate fragile environments in the Pacific Islands and Nepal.

Among the many justifications for carbon-intensive projects under the ADB 2009 Energy Policy are:

- Energy efficiency, which includes improvements in fossil fuel-based power plants such as Circulating Fluidized Bed (CFB), flue gas desulfurization (FGD), Integrated Gasification Combined Cycle (IGCC), High-Efficiency, Low-Emission (HELE) or Supercritical and Ultra-supercritical Technology, CTL, and Combined Heat and Power (CHP).

- The need for reliable and affordable energy, which is supposedly supplied by coal power plants at least cost for base-load demand.
- Commercialization of the coal sector to ensure that coal plants have enough supply of coal for captive use.
- Funding marginal and already proven oil fields, should the fields turn out to be commercial eventually.
- Maximizing access to energy for all as an all-encompassing justification for financing fossil fuels.

For ACEF 2020, we, NGO Forum on ADB, urge the ADB to abandon all the justifications cited above. The future of ADB Energy investments is in renewable energy and community microgrids and it has no space for fossil fuels especially coal.

Also, the use of “counterbalance” mechanisms such as carbon sequestration and offsets, both of which are unacceptable when considered against the reality that destroyed ecosystems cannot simply be replaced.

**ADB’s Climate Responsibility Response**

Despite its carbon-intensive energy-lending portfolio, ADB has positioned itself as a climate leader among international financial institutions (IFIs) by making pronouncements and commitments on climate financing. Notable climate developments are:

- 2011 – Joint [MDB Approach for Climate Mitigation and Adaptation Finance Reporting](#): While this is a step forward, it still included energy-efficiency improvements and retrofitting of fossil fuel power plants as climate mitigation activities;
- June-July 2015 – [MDB and IDFC Common Principles for Climate Change Mitigation and Adaptation Finance Tracking](#). It retained a lenient list of mitigation activities which have a fossil fuel pathway.
- November 2015 – [Framework for a Harmonized Approach to GHG accounting](#). Once again the ADB set bottom range shadow carbon prices compared to other MDBs;
- September 2016 – [Asian Development Outlook 2016 Update](#), where immediately after its remarkable climate initiative launch, ADB derogated from the 1.5°C goal;
- July 2018 – [ADB Strategy 2030](#), which lacks any strategy on terminating active fossil fuel investments and canceling, proposed fossil fuel investments to achieve the Paris 1.5 goal.

The greenwashing approach of ADB in the climate policy space is now apparent. ADB’s climate responsibility is not in its statements in various global platforms but rather revealed through its
energy sector investments. The ADB has heavily invested in fossil gas and related infrastructure in the last 3 years across Asia and is now facing the reality of stalled construction and rising environmental & social costs. **With the COVID - 19 pandemic, communities with pre-existing health conditions due to environmental pollution from fossil-fuel energy plants and extractives projects are doubly vulnerable.** There are also these issues of lack of meaningful consultations with local communities on project planning, lack of pre-project information disclosure in particular in relation to the shift towards financing via bonds and other indirect modalities of investing that remain highly opaque in their particular details, and the **lack of human rights due to diligence assessment from the onset.** These are critical issues which have led to **opposition of communities, in turn leading to threats and reprisals against them, which is a glaring disconnect from real sustainable development outcomes.** It needs to be noted based on our assessment from 2010-2020 clean energy infrastructure in public health is an immediate need, which has seen nothing but neglect for a decade from the ADB.

We are wary that there is only one session dedicated to looking at Nationally Determined Contributions (NDC) commitments of countries in the region. **We hope that in ACEF 2020 we will see an end to the Bank’s green posturing and real commitments will be announced towards a Paris aligned policy and the appropriate clean energy investments to follow it through.**

**Lowering Oil and Gas Prices and Just Community-Driven Energy Transition to 1.5 degrees Paris Goals: COVID - 19 Recovery Pathway**

Like the Forum, we emphasize that recovery must be centered upon principles that emphasize finance scaled to the needs of communities, and formulated based on robust community consultations with mechanisms to avert reprisals of those who give input; not built on extracting the finite resources of the planet: According to an [Oxford Working Paper on Post COVID Green Recovery](#), the dramatic declines in global economic activity have reduced energy demand and the use of fossil fuels, which supply 85% of all energy demands. The collapse in oil demand has deepened market imbalances and contributed to Brent crude prices dropping to their lowest level in over two decades. The working paper surveyed 231 financial experts, central bank officials, and asset managers from (G20 countries) who assessed 300 stimulus policies from the perspective of climate impact. The survey revealed that only 4 percent of stimulus packages could be considered green, 4 percent brown, with 92 percent being colorless (maintaining status quo). The paper further identifies that for desired economic multipliers **more favorable areas of investment for Middle Income and Lower-Income Countries are** – **Health care investment, Disaster preparedness, Clean Energy Infrastructure, research, and development**, etc. Compared to least favorable sectors such as – airline bailouts, **traditional transport and infrastructure**, and income tax cuts especially for large corporations coupled to fossil fuels. It was further identified
that for a USD 1 million investment in renewable energy projects 7.49 jobs could be generated and similar investments in energy efficiency projects could generate 7.72 jobs, compared to 2.65 jobs from investing in fossil fuels. This demonstrates the potential of economic recovery through a clean energy future.

Conclusion
We demand that, if ADB genuinely intends to be a climate leader across multilateral development banks, it should consider financing evidence-based ecosystem restoration for projects that have already impacted the environment. Simultaneously the ADB must ensure that robust mechanisms for information disclosure and community and civil society consultations are embedded at all stages in the project cycle. In light of the issues highlighted in this statement, we hope that in this upcoming ACEF 2020 the ADB conducts a thorough review of its lending portfolio in the energy sector and makes an immediate shift towards renewable energy pathways for a Paris Aligned COVID-19 recovery. The ADB should ensure steps for withdrawing projects in the pipeline that fail to meet the climate criteria. As the data suggests renewable energy will create more jobs and is cheaper to produce; long-term investments in the sector are needed to ensure sustainable energy access for the most vulnerable.

The age of fossil fuel baseload power generation has come to an end and ADB must take action in these last 10 years towards the 2030 IPCC P1 pathway. There is an opportunity here this ACEF 2020 for the ADB to listen to the communities and do the right thing, it should seize the moment because it might not get a second chance.

Endorsed by:

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Buliisa Initiative for Rural Development Organisation (BIRUDO), Uganda
BWI Asia Pacific, Philippines
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 (, Mongolia
CLEAN (Coastal Livelihood and Environmental Action Network), Bangladesh
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COMPPART Foundation for Justice and Peacebuilding, Nigeria
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Environics Trust, India
Environmental Public Society, Armenia
Equitable Cambodia, Cambodia
Freedom from Debt Coalition, Philippines
Fresh Eyes, United Kingdom
Friends of the Earth Japan, Japan
Gender Action, Global
Global Social Justice, Belgium
Growthwatch, India
Hape Development and Welfare Association, Pakistan
India Climate Justice platform - ICJ, India
Indian Social Action Forum (INSAF), India
Indigenous Perspectives, India
Indigenous women Legal Awareness Group, Nepal
Initiative for Right View, Bangladesh
International Accountability Project, USA
International Association of People's Lawyers, Australia
International Association of People's Lawyers, France, France
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MiningWatch Canada, Canada
Movement for Advancing Understanding on Sustainability And Mutuality - MAUSAM, India
Narail Kantho Online Newspaper, Bangladesh
Nash Vek, Kyrgyzstan
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OEARSE, REPUBLIQUE DEMOCRATIQUE DU CONGO
Oil-Workers' Rights Protection Organization Public Union, Azerbaijan
Oxfam International
Oyu Tolgoi Watch, Mongolia
Pakistan Fisher Folks, Pakistan
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