



22 May 2020

**MR. MASATSUGU ASAKAWA**  
President  
Asian Development Bank

Dear President Asakawa;

Good day.

According to the WHO<sup>[1]</sup> the need for clinical testing and quarantine measures is considered critical to slow the spread of the virus. You are well aware Pres. Asakawa, those Asian countries especially lower-income countries have fragile and limited health care systems. Unfortunately with struggling fiscal health, and lack of public health infrastructure, some Asian governments are opting to use the heavy-handed method of police and military crackdowns to enforce quarantine protocols, violating human rights and basic political freedoms. As this letter is being written, activists and journalists in Pakistan, Bangladesh, the Philippines among many others are being persecuted, silenced, or jailed for speaking the truth and exposing government failures. The space for civil society's voice in such places is shrinking and is now on the verge of being suffocated. To this end we thank you for allowing us the space to raise these critical issues during your ADB AGM 2020. Aside from pandemic Asia is facing a severe debt crisis and the overarching haunting impacts of the climate crisis.

**The clock has not stopped ticking, and reducing GHG emissions is imperative to keep the global temperature below 1.5 degree Celsius rise.**

ADB Projects in India, Nepal, Indonesia, Sri Lanka, and Bangladesh have been raised on Safeguards violations to respective operations departments and management over the last year. Issues on non-payment of compensations, lack of meaningful consultation, and adverse impact on workers have been repeatedly flagged to banks with a limited response on the ground. Pres. Asakawa, the ADB's Safeguards delivery has not met up to the standards of the policy. Through this letter the NGO Forum on ADB we would like to bring to your attention the following issues surrounding ADB's response to debt, climate, and safeguards and we will look towards your immediate action and leadership on helping resolve these challenges.

## Debt

The global debt of 263 trillion USD boils down to a 32,500 USD debt burden of each individual for all 7.5 billion people inhabiting planet earth. According to the World Bank's recent report on global debt<sup>[2]</sup> it has direct effect, influencing steep depreciation of local currencies. Unable to make debt payments due to lockdown industries and work, governments are struggling to ensure people have access to housing, food, critical health care. Unless funds are accessible without conditions Asian governments will be unable to provide emergency services to its people.

In this context, the ADB has announced a USD 20 billion-recovery package to address the crisis. It is sad to see that the grant allocation of the recovery package is only 2 billion USD and the majority of the fund will operate mainly as loans. Considering the nature of this global pandemic, debt relief has been considered as a possible solution for Asian governments to stay afloat and free up funds for immediately addressing public health and economic recovery concerns. Both the IMF<sup>[3]</sup> and G20 have committed to debt relief measures as of May 2020<sup>[4]</sup>, but the scale and scope of the measures are limited. The debt relief needs to be much wider in order to be effective and should include the MDBs, and other bilateral banks in the effort. To this end we urge the **ADB to immediately issue an order to stop the collection of ALL loan payments from DMCs for 2020, so that they may have access to unconditional funds for immediate public health care and economic recovery.**

## ADB's Climate Responsibility

The ADB Energy Policy 2009 is outdated and heavily embedded in coal and fossil fuels and in complete contradiction to the Paris Agreement of reducing global temperature rise to 1.5 degrees Celsius. New energy policy is urgently needed with the following provisions –

**The new ADB Energy Policy should be explicitly Paris-aligned and should pursue and promote a 1.5°C Pathway—reaching a global CO<sub>2</sub> emissions decline of 45% from 2010 levels by 2030, and net-zero CO<sub>2</sub> emissions by mid-century—without false solutions.<sup>[5]</sup>** The P1 Scenario outlined in the IPCC's Special Report on Global Warming of 1.5°C eliminates false solutions while ensuring that the 1.5°C temperature goal is met. ADB should also work with experts in identifying investment opportunities for renewable alternatives that are consistent with this goal.

ADB's Country partnership strategies (CPS) should be updated to ensure alignment with the Paris Agreement, and projects should be screened following CPS and national decarbonization pathways.<sup>61</sup> As the primary platform for designing ADB operations towards delivering development results at the country level, existing CPS should be reviewed and updated to mainstream climate change considerations, specifically incorporating the 1.5°C goal.

**The ADB must declare a full commitment to divest from all coal mining and coal power projects—including coal mined for captive use of a power plant, coal projects considered energy-efficient or adopting a carbon capture storage or other mitigating measures, and using co/tri-generation technology.** ADB should once and for all stop financial flows to projects that allow for the burning of coal—the single largest contributor to the climate crisis.

**The ADB must adopt a stringent emission performance standard for all power generation and CHP projects that will effectively divest other fossil fuel projects.** ADB should focus its limited resources on meeting the low-carbon transition. Thus, it should review the emission performance standard of energy projects in its DMCs, and adopt a standard that will phase-out investments in other fossil fuels.

**The ADB must set out strict exclusion criteria for fossil gas projects, permitting only those determined to be a necessary bridge fuel for a DMC's low-carbon transition.** The IPCC's SR1.5 provides a strict timeline for the drastic reduction of fossil gas projects under the P1 Scenario: -25% from the 2010 level by 2030, and -74% from 2010 level by 2050.

### **ADB Safeguards**

NGO Forum on ADB has been engaging the ADB on its Safeguards Policy Statement and its implementation for the last decade. Issues of displacement in the Cambodia Railway Rehabilitation Project, Visayas Base Load Coal project, and its impact on public health and air pollution, Tata Mundra Power Plant impact on marine ecosystems are some of the flagship cases which have been brought to the bank's attention. In all these cases the fundamental area of concern is the lack of meaningful consultations with affected communities in the project design phase of the project cycle.

This continues to be a glaring weakness in ADB's Safeguards delivery and has been cited by its IED's evaluations in 2014, 2016, and the recent evaluation of 2020. Since 2013 the NGO Forum on ADB during each of the management sessions during the AGMs would look to the former ADB President to recommit to 'No Dilution' of the current Safeguards Policy Statement SPS 2009, and he did so without fail till his last term.

We hope under your leadership we will see you uphold this critical commitment of 'No Dilution' to the SPS 2009 as well. The current policy does have its limitations – the language is very weak in ensuring private sector operations to be compliant to the SPS, this has also been validated by the IED 2020 report recently posted on their website. Financial Intermediaries especially have been grossly negligent of their SPS deliverables and there remain severe gaps in monitoring and evaluation from ADB on the FI borrowers. On the issue of Country Safeguards Systems the ADB has spent over 40 million USD in strengthening capacities in Indonesia, Kyrgyzstan, Sri Lanka etc., yet not a single CSS is optimal for SPS delivery. We hope the ADB will continue to take responsibility for delivering its own SPS until CSS achieve equivalency as articulated in the SPS 2009.

COVID19 has also shown how vulnerable people are to health threats due to lack of adequate social protection and access to health care. To this end the most affected groups would be the project affected women, especially indigenous women, children, and people with disabilities. The other vulnerable sector coming to the forefront is the scores of workers in the project sites. Nam Ngiep 1 Vietnam witnessed an oxygen cylinder explosion leading to the death of 6 workers, yet the scope of the SPS could not even afford the families compensation let alone ensuring safety standards in the workplace. The upcoming SPS review should include binding safeguards for women, children, and people with disabilities.

In the Gojra Shorkot Road Project, which was funded by ADB through an FI, the workers were left unpaid for over 6 months of wages, with several incidents of deaths due to occupational hazards. The subcontracting companies closed their doors, and the FI borrower could not hold them accountable, leaving the unpaid workers helpless without justice. The ADB pointed towards the SPS which failed to give any respite to the workers due to its ambiguous language on labor and non-binding wording on FI compliance. The SPS must have binding language on Core Labor Standards as a principal safeguard pillar.

Pres. Asakawa, while 'No Dilution' is retained, we hope that the current gaps within the SPS policy are critically addressed in the upcoming review through a robust, open, and holistic consultation process with NGO Forum on ADB and civil society at large.

The coming year will be of change and new ideas to help build a post COVID19 sustainable, healthy, and greener world. To do so, the bank must bring independent civil society voices into its planning and policy formulation. It is through listening to the voices on the ground that the bank will be able to address the development question, which it intends to solve. Pres. Asakawa, it is the people and the environment that are the true test of development outcomes, not the fractions of GDP rise. We hope the ADB is learning from this bitter

experience of its misdirected export-oriented development paradigm and is looking to turn to meet the needs of vulnerable people and communities.

The former president had committed publicly that all policy reviews by ADB will have civil society meaningfully consulted; we would not expect anything less from you. We wish you a productive and constructive AGM and hope your leadership can bring us to a better, inclusive, sustainable, and equitable Asia.

Respectfully,



**Mr. Rayyan Hassan**  
Executive Director  
NGO Forum on ADB

Endorsed by:

350.org, Asia

350.org Pilipinas, Philippines

ADAB (Association of Development Agencies in Bangladesh), Bangladesh

Akhuwat-E-Kissan Pakistan, Pakistan

Aksi! for gender, social and ecological justice, Indonesia

Alyansa Tigil Mina (ATM), Philippines

Asian Peoples Movement on Debt and Development, Asia

Association des Démocrates Thaïlandais Sans Frontières, France

Bangladesh Working Group on External Debt (BWGED), Bangladesh

Bank Information Center, United States of America

Buliisa Initiative for Rural Development organisation (BIRUDO), Uganda

BWI Asia Pacific, Philippines

Center for Energy, Ecology, and Development, Philippines

Center for Environmental Justice, Sri Lanka

Change Initiative, Bangladesh

CLEAN (Coastal Livelihood and Environmental Action Network), Bangladesh

Collective for Economic Justice, India

Committee for the Abolition of Illegitimate Debt, South Asia

Community Empowerment and Social Justice (CEMSOJ) Network, Nepal

Development Synergy Institute (DSI), Bangladesh

DIGNIDAD Coalition, Philippines

Digo Bikas Institute, Nepal

Environmental Public Society, Armenia  
 Environics Trust, India  
 Equitable Cambodia, Cambodia  
 Freedom from Debt Coalition, Philippines  
 Friends of the Earth Japan, Japan  
 Friends of the Earth US, US  
 Gender Action, Global  
 Global Social Justice, Belgium  
 Growthwatch, India  
 Hape Development and welfare Association, Pakistan  
 Human Rights Law Network, India  
 Indian Social Action Forum, India  
 Initiative for Right View, Bangladesh  
 International Accountability Project, United States  
 International Association of People's Lawyers, Australia  
 International Center for Not-for-Profit Law, Tajikistan  
 Life Haven CIL, Philippines  
 Lumiere Synergie pour le Developpement, Senegal  
 Legal Rights and Natural Resources Center-KsK Friends of the Earth, Philippines  
 Nash Vek Public Foundation, Kyrgyzstan  
 National Development Programme (NDP), Bangladesh  
 Nepal Integrated Development Initiatives (NIDI), Nepal  
 NGO "Youth Group on Protection of Environment", Tajikistan  
 NGO Forum Cambodia, Cambodia  
 NIDAN, India  
 Observatoire d'Etudes et d'Appui à la Responsabilité Sociale et Environnementale (OEARSE),  
 Congo  
 Oil Change International, International  
 Oyu Tolgoi Watch, Mongolia  
 Pakistan Fisherfolk Forum, Pakistan  
 Phenix Center for Economic Studies, Jordan  
 Progressive Plantation Workers Union, India  
 Recourse, The Netherlands  
 Rivers without Boundaries, Eurasia  
 SPELL-Sustainability and Participation through Education and Lifelong Learning, Philippines  
 Sri Lanka Nature Group, Sri Lanka  
 Urgewald, Germany  
 WomanHealth Philippines, Philippines  
 Youth For Environment Education And Development Foundation (YFEED Foundation), Nepal

Cc:

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Vice-President for Private Sector and Public-Private Partnerships

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Director General, Sustainable Development and Climate Change Department

Director, Safeguards Division

Director-General of Independent Evaluation at ADB

Director, Thematic and Country Division

ADB's NGO and Civil Society Center (NGOC)

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<sup>[1]</sup><https://www.theguardian.com/world/2020/mar/11/mass-testing-alerts-and-big-fines-the-strategies-used-in-asia-to-slow-coronavirus>

<sup>[2]</sup>M. Ayhan Kose, Peter Nagle, Franziska Ohnsorge, and Naotaka Sugawara Global Waves of Debt: Causes and Consequences, World Bank Report, 2020

<sup>[3]</sup> <https://eurodad.org/covid19-debt-FAQ>

<sup>[4]</sup><https://www.devex.com/news/g20-imf-deliver-on-debt-relief-but-more-is-needed-experts-say-97021>

<sup>[5]</sup> IPCC, *Special Report on Global Warming of 1.5°C*, Summary for Policymakers, 14.

<sup>[6]</sup> WRI, *Toward Paris Alignment*, 6.