

Beyond ACEF 2022: Challenging the ADB to Stop Financing False Climate and Energy Solutions

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Over the course of this week's Asia Clean Energy Forum, hosted virtually by the Asian Development Bank, we have been alarmed by the absolute absence of space available to take into account the perspectives of peoples' organizations representing the very communities and workers across the region whose livelihoods are at stake when 'green' energy infrastructure investments move forward.

ADB's Energy Portfolio: Yet to be Overhauled?

We appreciate ADB President Masatsugu Asakawa's assertion that an "overhaul of the energy sector" is needed, and ADB Energy Sector Group Chief Priyantha Wijayatunga's acknowledgement that Paris alignment of financing means making all efforts to keep global heating below 1.5C. However, the fact remains that the ADB introduced a new Energy Policy in October last year which – despite ruling out investments in coal and coal-related infrastructure – still explicitly enables financing for the build up of carbon-intensive oil and gas dependent infrastructure, including LNG terminals, toxic waste-to-energy (WTE) incineration, the development of new hydropower projects, and vastly expensive fossil fuel dependent carbon capture ventures. We note that according to the ADB website, the Bank appears to be considering financing for the [280MW Nenskra Hydropower Project](#) in Georgia, the [Turkmenistan-Afghanistan-Pakistan-India \(TAPI\) Gas Pipeline Project](#), the [Rokia 120MW Combined Gas Cycle Project in India](#), and a [carbon capture scheme](#) in collaboration with the Indian Oil Corporation, along with investments in companies with fossil fuel heavy portfolios via financial intermediary facilities. All of these projects, along with large-scale wind and solar schemes, such as the 500MW [Zarafshan Wind Power Project](#) in Uzbekistan, raise serious concerns among local, regional and international civil society groups.

Beyond project financing, we also remain concerned about the impacts of ADB's technical assistance to local and national governments – intended to spur on policy reforms and infrastructure developments – including potentially dire violations of human rights and ecological integrity. Examples include:

- ADB's recently completed [technical assistance for Sri Lanka](#) providing advice on the build-out of infrastructure needed for a new liquified natural gas (LNG) facility – despite the reality that the current energy and socio-economic crises are specifically connected to heavy reliance on imported and highly volatile sources of fossil fuel energy sources, and

- ADB's [technical assistance for project preparation](#) of a waste-to-energy facility in Cebu, Philippines – that has contributed to undermining national legal frameworks on solid waste management, clean air, and renewable energy as well as international commitments.

Accordingly, it remains an open question as to how the ADB will proceed in overhauling its own implementation of policies, projects as well as technical assistance in the direction of a clean energy transition. Whether they will commit to a rights-based framework that upholds climate science as per recommendations of the Intergovernmental Panel on Climate Change for limiting global warming to 1.5C and avoids exacerbating borrowing country's levels of indebtedness is yet to be seen.

ACEF 2022: Private Sector Promotion of Plans Backed by the Fossil Fuel Lobby

We have seen how this year's focus at the Asian Clean Energy Forum on "*Innovative and Integrated Solutions For a Low-Carbon And Resilient Future*" has meant that private sector proponents have had the floor to promote infrastructure build-out for risky, speculative and resource-intensive technologies in the name of "Net Zero" pathways, prolonging the shift away from reliance on carbon-intensive systems, such as via carbon capture and storage for oil and gas as well as WTE operations, along with large-scale green/blended hydrogen production and transport ventures. We remain highly cognizant that key actors behind such a push for a 'hydrogen society' and for the expansion of carbon capture schemes [are oil and gas companies](#), as by design, they are the ones who will reap the profit of prolonged reliance on fossil fuels. In this regard, we reiterate our collective assertion to the ADB that the surest way to tackle economic, climate and energy injustice, and to support a rights-based pathway that aims to avoid overshooting 1.5C, would be to pivot entirely away from systems that are carbon and resource intensive as well as heavy greenhouse gas emitters.

We recall here the dire warnings of the IPCC's Assessment Report 6, clearly pronouncing the narrow window left to avoid catastrophic global warming, and the IPCC's suggestion that the best chance we have of limiting warming **would rely on limited or no use of engineered carbon capture technologies**. Carbon capture has already been exposed as a failed technology over decades of piloting, with systematically poor CO₂ capture rates, incurring exorbitant increases in construction costs that are passed on in the cost of energy. Meanwhile, the infrastructure build-out needed to transport carbon and inject it into storage sites requires vast areas of land, risking dispossessing rural, peri-urban or Indigenous Peoples' communities. Likewise, 'green' hydrogen made through the electrolysis of renewable energy is reliant on large-scale solar or wind farms that require onerous uses of local water and land resources. Ultimately then, it is far more economical and efficient for energy to be sourced directly from RE sources, appropriately scaled and designed to meet the needs of the communities it is intended to serve. It is also clear that any proposal to blend green hydrogen with blue or gray hydrogen would by default mean reverting to reliance on fossil fuels.

There is no reason for the ADB to consider sinking scarce public resources into technocratic pathways that will delay the needed energy transition. Indeed, despite the Bank's apparent preparedness to scale up climate financing, we await clear time bound commitments related to phasing out oil and gas reliant infrastructure and other climate-misaligned investments, including toxic waste-to-energy projects and large-scale hydropower projects. In this regard, we remind the ADB of their outstanding commitment to open up a period of consultation on forthcoming draft guidance notes that are intended to provide staff with criteria for screening investments in fossil gas, hydropower and waste-to-energy projects to civil society groups as outlined in the 2021 Energy Policy.

Sidelined from ACEF 2022: Indigenous Peoples from Across the Region

Notably absent from official ACEF sessions has been any perspective on locally relevant innovative energy systems being developed by Indigenous Peoples' communities across the region. Nor has there been any clear attempt to remain cognizant throughout the ACEF conference of ensuring there is Free, Prior and Informed Consent from all project affected communities as part of an iterative process. This is particularly alarming given the reality that many of the energy systems discussed, including floating photovoltaic schemes, carbon capture, and hydrogen projects, could end up encroaching on ancestral domains or dispossessing people of their homes and livelihoods. Indeed, from the outset, before developers consider carrying out biodiversity sensitivity mapping as advanced by the ADB for solar and wind projects, it is imperative to ensure communities have had the time to come to a consensus on whether (or not) they agree to the project development, and that their decision to grant or withhold consent is accordingly respected. Furthermore, any plans to avoid bird flight paths or biodiversity hotspots when building such projects need to be ground-truthed by the intergenerational knowledge of local communities.

Energy Transition Mechanism: Climate Credentials and Claims in Support of Just Transition Remain in Question

Finally, in relation to the ADB's Energy Transition Mechanism (ETM), which has been referenced in several ACEF sessions, we note that to date, this market-oriented scheme to retire coal projects has been characterized by a lack of transparency and has as of yet, failed to meaningfully take into account the perspectives of community-based and workers' federations grounded in specific local and country contexts. In fact, there are no concrete commitments to ensure the ETM scheme will uphold UN and ILO Conventions (including ILO Convention 169) or the UN Guiding Principles on Business and Human Rights, nor assurances that comprehensive financing for the coal power projects targeted for retirement will be available to ensure site clean-up, land reclamation as well as reparations and redress for harms wrought on communities and workers.

As a market-driven initiative, the Energy Transition Mechanism by design is intended to ensure investors earn a return while supporting coal operators to retire power plants over the course of 10-15 years, despite the fact that technically these plants could be replaced by lower cost new renewable energy projects. In effect, this means that the ETM risks far overshooting the nationally required targets to uphold a 1.5C trajectory, therefore blocking countries from aligning with the

Paris Agreement goals. It also means that the ETM as it stands, will inherently burden local communities with heavy social costs. In fact, the support for a just transition under the ETM and development of 'clean' projects do not come along with any clear financing component nor any guarantees that fossil gas projects will not be built as part of the process. We are also concerned that the blended finance modality used to support the roll out of the ETM effectively means it will be difficult for affected communities to access grievance mechanisms and seek accountability.

Conclusions: Beyond ADB's Asia Clean Energy Forum 2022

Moving forward from this year's Asia Clean Energy Forum, we reiterate our call on the ADB Management and Board to consciously pivot away from financing false climate and energy solutions. Decisions taken in this regard not only will have real impacts on peoples' livelihoods across the region, but will also determine if the pathway followed is one which will hasten – or undermine – progress towards a just, inclusive, sustainable and rights-based transition. Regardless, we assure the ADB that civil society groups remain attentive to the plans advanced for green (and not-so-green) energy investments, ready to hold the Bank accountable – as for us, at stake is the stark reality of who may live and who may perish in the years ahead.

Submitted by the NGO Forum on ADB along with the following local, national and international organizations:

Aksi! for Gender, Social and Ecological Justice (Indonesia)
Balkani Wildlife Society (Bulgaria)
Bangladesh Working Group on External Debt (Bangladesh)
CEE Bankwatch Network (Georgia)
Center for Energy, Ecology, and Development (Philippines)
Centre for Financial Accountability (India)
Centre for Human Rights and Development (Mongolia)
Change Initiative (Bangladesh)
Coastal Livelihood and Environmental Action Network (Bangladesh)
Collective for Energy Justice (India)
Committee for the Abolition of Illegitimate Debt (India)
Community Empowerment and Social Justice Network (Nepal)
EarthRights International (USA)
Environics Trust (India)
Freedom from Debt Coalition (Philippines)
Green Advocates International (Liberia)
Growthwatch (India)
Indian Social Action Forum (India)
Indigenous Women's Legal Awareness Group (Nepal)

Japan Center for a Sustainable Environment and Society (Japan)
KRuHA - People's Coalition for the Right to Water (Indonesia)
Mekong Watch (Japan)
Nash Vek Public Foundation (Kyrgyzstan)
Progressive Plantation Workers Union (India)
Oil Workers' Rights Protection Organization Public Union (Azerbaijan)
Oyu Tolgoi Watch (Mongolia)
Recourse (Netherlands)
Rivers without Boundaries Coalition (Mongolia)
urgewald e.V. (Germany)
Youth Group on Protection of Environment (Tajikistan)
BRICS Feminist Watch (Global)
Programme on Women's Economic, Social and Cultural Rights (Global)
International Accountability Project (Global)
Asian Peoples' Movement on Debt and Development (Regional)
Global Alliance for Incinerator Alternatives-Asia Pacific (Regional)