

NGO Forum on ADB Official ACEF Statement 2016*

If humanity hopes to keep warming below 1.5 degrees Celsius by 2100 as per the discussions of the Paris Climate Change Agreement, it must essentially stop emitting all forms of greenhouse gases into the atmosphere by 2060.¹

Since the 49th Asian Development Bank (ADB) Annual Meeting of the Board of Governors the announcements of ADB and AIIB co-financing and the zealous solicitation of private sector as a development partner augurs the same blind rhetoric of economic growth models of the last decade that made electricity inaccessible to 622 million people in Asia and exorbitantly costly for the rest. The Bank is still working on the same frame of single-track economic growth by peddling a transnational (TNC) and multinational corporations (MNC)-based energy demand without carefully weighing the environmental and social consequences of its investment decisions.

ADB's Strategy 2020 commitments of regional economic integration, China's One Belt One Road and the G20s commitment towards achieving 2 percent GDP growth of its members by 2020; are alarming signs of dirty energy investment and increased GHG emissions. According to the Intergovernmental Panel on Climate Change, global populations have crossed the 395-ppm threshold of CO₂, which was one of the nine planetary limits for our survival. The earthquakes in Nepal, typhoon Yolanda, Haiyan in the Philippines, the recent floods in Paris and Germany all indicate the precarious state of an overtaxed planetary system.

Being completely aware of the climate crisis, the ADB continues to espouse its support to dirty energy sources including coal. The Jamshoro Power Generation Project in Pakistan, Naga Coal Power Plant in the Philippines, Tata Mundra Coal Plant in India, Tanahu and West Seti Dam projects in Nepal, Citarum Dam in Indonesia are all well documented examples of ADB's destruction of the environment, social fabric, ecological balance and this list is far from exhaustive.

Today, we are witness to unprecedented increases in the cost of electricity making it less and less accessible to the poor. The delegation of providing electricity as a basic social service to the private sector clearly failed to deliver critical development outcomes for Asia's poor but succeeded in feeding the energy demands of TNCs and MNCs along ADB's precious economic corridors which are either placed in ecologically or politically fragile zones. ADB's method for economic growth in Asia was marked with inequality, darkness and dirt due to its disregard of the environment, communal rights, and public health.

For some years, the ADB has been vocal on projected "energy demands", which is said to be more than double between 2010 and 2035, reaching 16,169.2 terawatt-hours or half of the world's global energy consumption by 2035. By then, Asia will also be responsible for almost half of all global carbon emissions, 35 percent higher than current emissions². But these "energy demands" are needs ensuring that TNCs and MNCs thrive and are not reflective of the needs of underserved communities.

The ADB claims that its own financing for clean energy rose to \$2.4 billion last year from only about \$280 million in 2005. This might seem a positive trend but evidence shows that ADB's average energy lending for off-grid and mini-grid renewable energy is only at 7.5 percent of its total energy portfolio³. Bulk of taxpayers' money goes to false solutions to the problem of accessible and "clean" electricity such as energy efficiency, clean coal which are still powered by coal—the largest contributor to climate change.

With the region's vast resource endowments, NGO Forum on ADB strongly believes that renewable energy can and has to be the core driver for all future energy investments by ADB to achieve its commitment to poverty eradication and sustainable development. As we denounce ADB's investments in fossil fuels; we also do not endorse the notion of large hydropower as "clean energy" or "climate adaptive" source of renewable energy which forms a significant part of the Bank's energy lending portfolio.

We also criticize poor standards in labeling environmentally enhancing projects across all funding facilities for "clean" and "green" projects. Thus, despite the proliferation of "green" financing instruments and windows, ADB energy projects still destroy peoples' lives and the planet.

Eleven years after the first Asia Clean Energy Forum, the ADB continues to invest in dirty energy sources without making any meaningful shift in its operations. The writing is on the wall:

- **Stop offering false solutions in the name of 'clean energy' and** stop funding large hydropower dams which disenfranchise the poor.
- **Act on the climate crisis and stop investing in all forms of fossil fuel** and shift to renewable energy now

** This was originally published in the website of the NGO Forum on the ADB, www.forum-adb.org.*

Notes

- ¹ "1.5 °C and Climate Research After The Paris Agreement." *Nature Climate Change*, 1 February 2016.
- ² ADB And The Climate Investment Funds Climate Change Innovation And Action In Asia And The Pacific. January 2016.
- ³ "Still Failing to Solve Energy Poverty: International Public Finance for Distributed Clean Energy Access Gets another "F"." *Oil Change and Sierra Club*, April 2016.