



FAIR FINANCE ASIA

Fair Finance Asia's response and feedback on ADB's Draft Energy Policy: Supporting Low Carbon Transition in Asia and the Pacific available via

<https://www.adb.org/documents/draft-energy-policy-supporting-low-carbon-transition-asia-and-pacific>

[Fair Finance Asia](#) (FFA) is a regional network of over ninety civil society organizations (CSOs), presently in eight Asian countries, committed to ensuring that financial institutions' funding decisions in the region respect the social and environmental well-being of local communities. Comprising of community-based organizations and national and international civil society organizations and networks, Fair Finance Asia coalitions are active in: Cambodia, India, Indonesia, Japan, Pakistan, Philippines, Thailand, and Vietnam. This joint response is indicative and reflective of the different needs identified by FFA at the country and regional levels to ensure a just energy transition. In case of any questions, please write back to us at nirnita.talukdar@oxfam.org

Overall recommendations from FFA on the ADB Draft Energy Policy:

1. FFA welcomes ADB's efforts in developing transparent, impartial, and socially sensitive multi-criteria analysis in Energy for the Cross-Cutting Needs of Communities.
2. In practice, however, the inclusivity of this process could be further improved. Easier ways to do so would have been making translated versions of the draft available in local languages and facilitating more structured consultations with project-affected communities so they could meaningfully provide their inputs on this draft energy policy.
3. FFA recommends that community participation, gender-sensitivity, and the principles of free, prior and informed consent (FPIC), and the right to be heard should be mainstreamed in other parts of the policy, such as in Policy Principle 3, paragraph 100, concerning ADB's projects implemented through private and public sector cooperation (project lending and policy-based lending).
4. FFA acknowledges that the energy policy is developed in order to align with international agreement and standards, especially the Paris Agreement and the Sustainable Development Goals. Given ADB's influential position towards key Asian private sector leaders, we recommend that it provide more analysis and detailed action planning on aligning the bank's policies and practices (on due diligence and access to remedy, among others) with the UN Guiding Principles on Business and Human Rights, and use all possible strategic levers to encourage its private sector partners and stakeholders, particularly regionally operating financial institutions, to do the same.
5. ADB's energy policy must explicitly state that its financial intermediaries should immediately phase out all financing for existing and planned coal-powered projects (as defined by [the Global Coal Exit List](#)) and unconventional oil and gas companies and projects.
6. This policy should come with a clear regional roadmap of implementation based on which updates to national roadmaps could be developed prioritizing the need for capacity building of stakeholders (including using the grievance and redress mechanisms especially for the communities), as well as the engagement of key stakeholders including civil society at various stages of the policy development and implementation of ADB's targets and milestones, aligning with UNFCCC's recommendations to prevent global warming beyond 1.5 degrees Celsius. FFA appreciates that as per this draft strategy at least 75% of ADB's committed operations will be designed to support climate change mitigation and adaptation by 2030. This should be seen in line with the target set by international organizations such as Oxfam that states "All fossil fuels must be phased-out of the electricity sector by 2040 in EU/OECD countries, and by 2050 globally with complimentary roadmaps, as part of a full fossil fuel phase-out in all sectors by 2050, and accompanied by a phase-in of 100% sustainable renewable energy for all."
7. Recognizing that ADB provides multilateral loans to its developing country members (DMCs), the energy policy refers to financing for last-mile electricity access that are more in the financial inclusion domain. A regional roadmap for the implementation of this narrowed-down approach should be

provided, highlighting the proper milestones, timelines, and clear details on how the approach balances with the regional and global priorities to align with the Paris Agreement, particularly in ensuring that global warming does not exceed the 1.5 degrees Celsius limit. The national roadmaps can then be developed based on this regional roadmap.

Specific feedback from FFA on the sections of the ADB Draft Energy Policy:

A. BACKGROUND AND INTRODUCTION

1. FFA welcomes ADB's pledge to align with its global commitments to the SDGs, and the related Financing for Development agenda, as well as the Paris Agreement. The ADB should become, as seen in the comments from the NGO Forum on ADB that were sent directly to the ADB, 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.
2. The commitment to formally abandon association with new coal power projects is appreciated. It must, without exception, extend the support that is being funneled through financial intermediary modalities. As a step in this direction, FFA recommends that the bank explicitly withdraw support for those businesses, financial institutions, and financial intermediaries with no stated intention to phase out involvement in the coal sector along the 2030/40 timelines, as identified in the internationally recognized [Global Coal Exit List](#) (GCEL).
3. FFA urges the bank to explicitly support appropriately scaled, non-resource intensive, renewable, and locally managed electrification options, consistently integrating this priority into ADB policies and practices. There should be diversification of options, as focus on one form only leads to a quick exhaustion of resources. Hence, the aim for last-mile electrification should be evenly balanced, with diversified energy sources that naturally fit within the national context. Furthermore, FFA questions how the stated prioritization of regional/cross-border connectivity infrastructure (Point 125), 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.
4. On Point 4 of the section, it is stated that '*at least 75% of the number of ADB's committed operations (on a 3-year rolling average, including sovereign and non-sovereign operations) will promote gender equality by 2030*'. The Guideline does not clearly define gender, and does not clearly specify gender beyond women and girls. The Guideline, if used as a reference document for ADB's Energy Policy, could negatively impact gender minorities in energy projects. Moreover, when it is highlighted that DMCs pursue more livable and sustainable cities and further rural development, it is important to define the usage of the word rural development, as the DMCs have often focused more on economic growth rather than holistic development that includes combating social inequalities.

B. CHANGING ENERGY LANDSCAPE OF THE 2020s

1. "Distributed renewable energy providers" should be projects that are small-scaled, and uses locally-available energy sources. It should not include large hydropower projects as renewable providers, which presently exist in the draft policy. ADB should support low-cost, community-led, small-scale micro- and pico-hydropower generation.
2. The present draft is very broad in terms of covering the impacts of COVID-19 on the fossil fuels sector. In the present circumstances where many governments have deferred their fossil fuel exit plans citing COVID-19 as a reason, in their energy policies, (e.g. Indonesia, Philippines, Cambodia) it is imperative that ADB adopts a more comprehensive approach in providing guidance to the countries towards transitioning towards renewable sources.
3. ADB should ensure that its DMC (developing member countries) include targets under their NDCs that align the global impact of their domestic financial sector to the 1.5 degrees Celsius goal of the Paris

Agreement. Additionally, ADB should take an active role in ensuring that the financial sectors in its DMCs are also made accountable for their financing of those fossil fuel projects. ADB should also take decisive efforts to make its financial intermediaries comply with the same standards it uses for itself.

4. On point 17, the draft policy does not talk about off-grid connectivity, which is important in developing country contexts, and particularly for remote and rural areas. Financial infrastructure for promoting decentralized off-grid connectivity is not discussed. These are also projects that promote gender inclusive energy efficiency (such as the scaled-up example of the Barefoot initiative in Tilonia, Rajasthan).
5. Any inclusion of transition fuels should include clearly defined pathways towards decarbonization with appropriate science-based targets. The inclusion of gas as articulated in Point 20 of the draft policy is controversial, and should be limited to very strict metrics and be short in duration, as climate change will soon require that gas cannot be used as an alternative to fossil fuels to effect limiting global warming to 1.5 degrees Celsius. At a minimum, electricity generation has a “substantial contribution” if the emissions threshold of 100g CO₂e/kWh is the upper limit on the intensity of greenhouse gas (GHG) emissions produced from the generation of electricity, heat and power from hydropower, geothermal energy or gaseous and liquid fuels, as proposed by the EU Taxonomy. This should also be the upper limit for gas if it is included for a short transition period. However, concrete steps need to be taken to ensure that ADB stops complete financing of gas-based energy projects. The International Energy Agency in its [report](#) clearly highlights that no new natural gas fields are needed in the [net-zero scenario] beyond those already under development, and with complete phase out by 2040.
6. Cautious measures of ‘waste-to-energy’ pathways have to be adopted to ensure that they are not energy and emissions intensive. This is especially true for plastic waste-to-energy pathways. ADB should provide a guidance document for the DMCs for better clarity vis-à-vis implementation.
7. While it is noted that in Asia, renewable energy sources such as offshore wind, floating solar photovoltaic, and concentrated solar power installations have increased (Point 16), issues on land rights and FPIC should be taken well cognizance of and should be included explicitly in the energy policy. It is to ensure that this draft policy does not include any tenet contradicting human rights principles as well as preventing increase in poverty and inequalities.
8. ADB should request countries / and, or companies (who take the loan) to have integrated planning in renewable energy transition process. The power development plans must consider the land-use plans, national and regional agricultural development plans, with the aims of reducing land occupation, livelihood change and emigration.

ADB should prioritize investing in dual renewable energy models. The combination of solar PVs with agricultural production systems and aquacultural systems have high possibility. These models can bring additional incomes to rural areas, where large numbers of the poor are living. In the countries where agriculture and aquaculture are well developed, solar power can be promoted as an additional power supplying source for agricultural production and for aquacultural production. Furthermore, solar power should not be allowed in forest areas, even in artificial and unproductive forest for the purposes of forest protection, ecosystem conservation, landscape maintain and flooding prevention.

C. THE OBJECTIVE AND GUIDING PRINCIPLES OF ENERGY POLICY

1. FFA acknowledges ADB acts to “*promote commercial sustainability of the energy sector companies in DMCs through high standards of corporate governance, integrity, transparency, and social and environmental safeguards; and address market failures without distorting those markets*” (Point 40). FFA recommends that ADB ensure transparency and accountability of private sector actors and the financial sector as its intermediaries, by using accessible languages and channels, and that they are held accountable for their negative impacts on communities due to non-compliance of social and environmental standards. FFA also recommends that the ADB requires its clients – private sectors and intermediary financial institutions - to establish accessible complaint and grievance mechanisms for vulnerable groups and civil society organizations to enhance the transparency and accountability of ADB as well as private sector clients, partners, and stakeholders.

2. FFA recommends that decisions must be made in consideration of appropriate strategies that will limit global warming to 1.5 degrees C, aligning with the Paris Agreement and is explicitly incorporated into the Agreement's preamble (e.g. respecting indigenous, local community and women's rights as well as the right to health as per international standards).
3. FFA welcomes ADB's promise on withdrawal from financing new coal power and thermal projects. FFA recommends that ADB should extend this commitment to fossil fuel power plants and extractive projects (as mentioned in Point 86). In addition, FFA recommends that ADB should disclose the timeframe of this withdrawal, and provide practical definitions on the usage of the words "smart and resilient" in terms of power grids systems.
4. On point 33 - 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. FFA recommends 100USD/tCO₂ by 2030 as the baseline, with a pre-determined higher rate of increase in carbon pricing, with scope of accelerated increase in price, until 2050, to accurately reflect the cost that is needed to achieve the limiting of global warming to only 1.5°C Celsius. Additionally, this point states, '*In doing so, renewables and energy efficiency should be considered carefully first, and support should be provided to DMCs to always use the best available technologies for reducing GHG emissions*'. This point takes into account the Levelized Cost of Energy Calculation (LCOE) formula which is also used to see the cost of decommissioning fossil fuel power generation. The current language is ambiguous as it mentions that the most efficient technologies would be used for reducing emissions, which can be open to interpretation. This point also mentions incorporating social costs of carbon, but no methodology to do so is indicated here (other than the usage of the LCOE formula). FFA would welcome clarification on how the social costs of carbon would be calculated.
5. Point 35: states that, '*In doing so, renewables and energy efficiency should be considered carefully first, and support should be provided to DMCs to always use the best available technologies for reducing GHG emissions.*' FFA recommends that ADB prevents a race to the bottom by ensuring that any support in the form of incentivization that it provides will prevent DMCs from investing in and using any high risk and harmful technologies.
6. With respect to Point 37, which states that "ADB will crowd in private sector capital...", it is critical that ADB clearly states the mechanisms that would be put in place to achieve this. The draft policy also needs to strengthen its language on the necessary measures to ensure alignment with ADB Strategy 2030 vision. Furthermore, the draft policy should highlight the way towards compliance, specifically in regard to the Bank's safeguard standards and steps towards Paris alignment. It is also important for ADB to purposefully highlight how it will encourage the financial institutions to strengthen their ESG disclosures, and to ensure checks and balances to see whether there are policy and practice gaps when "crowd[ing] in private sector capital".
7. On Points 35 and 39, the draft policy needs to be clear on 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 or effectively offer support to communities if and when concerns are raised. Additionally, on Point 39 with regards to the discussion about fragile and conflict-affected situations and small island states, FFA recommends that ADB in its draft policy points out the ways in which these risks would be assessed, thresholds of perceived risks with fragile states, and the plans already in place to address the issues being faced by small island developing states that are acutely suffering the impacts of climate change already (e.g. Kiribati).
8. Point 40: ADB's project lending, especially in infrastructure, is in projects like enhancing a state or county's power/grid supply. Even though this is not contributing directly to fossil fuel projects as such, it is providing the capital infrastructure for fossil fuel based power generation. There needs to be clear language that shows the indirect linkage between these infrastructure projects and core fossil fuel

projects. ADB should put conditions for their infrastructure lending to ensure that it is used only for the development of sustainable energy resources.

9. Point 42: Is there a strategy for ensuring ‘*ADB promotes the provision of last-mile access for power, light, clean cooking and heating*’ within ADB? It is unclear whether this point is talking about inclusive finance approaches, alternate business models, and/ or decentralized energy models, etc. FFA welcomes clarification on ADB’s strategy for the promotion of last-mile power, light, clean cooking, and heating provision.
10. On Point 43, there is no indication of how the ADB will deal with its existing investments in coal. Point 43: states that, ‘*ADB will withdraw from financing new coal power and heat plants.*’ FFA reiterates the need for ADB to fully withdraw from financing coal-powered projects (both for existing and prospective projects), and to support the rapid phase out of reliance on coal generation, in a just, fair and sustainable manner. ADB should use its strategic influence and all other possible levers to ensure they also work with their financial intermediaries to phase out financing investments in fossils.
11. In Point 44, wherein carbon pricing has been mentioned, the draft Energy policy is presently focusing on developing states. FFA recommends that ADB highlight the way forward in terms of how the policy will also focus on developed nations with a strong opposition to these kinds of pricing mechanisms (i.e. Australia).
12. On Point 54 of the policy, FFA welcomes ADB’s support for the needed skill development and training in local communities, and strongly urge that ADB also highlights ways on how ADB would go beyond training in local communities, to ensure that support provided also leads to local employment in the just energy transition process.
13. Point 55 states: “*ADB can also consider providing cross-sectoral support for multipurpose dams that address water supply, power generation, irrigation, and flood control.*” FFA recommends that ADB set the conditions and requirements on funding hydropower projects, and consider social and environmental impacts, the meaningful and inclusive participation of impacted communities and civil society organizations in the local and basin-wide areas to avoid and/or mitigate the adverse impacts in the Mekong region and across other Asian basins.
14. Point 58, stating that ADB will support DMC efforts to eliminate urban energy poverty, should be substantiated by highlighting how the structural determinants of informal settlements will be addressed, not just the lack of energy provision to these informal settlements. The UNHCR defines ‘Informal Settlement’ as a settlement that was established in an unplanned and unmanaged manner, which means they are generally unrecognized by authorities.

D. THE ENERGY POLICY: Herein, specifically -

- On “Securing Energy for a Prosperous and Inclusive Asia and the Pacific”

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. While welcoming the component of women’s rights mentioned herein, it should be ensured that participation of women and communities go beyond mere checkboxes. ADB needs to work with developing member-countries governments to ensure that the transition has leadership buy-in and are well coordinated across all relevant agencies and ministries.

- On Building a Sustainable and Resilient Energy Future

While talking about just transition (Point 98), it is important that all plans on building a sustainable and resilient energy future must be agreed via dialogue, where project affected communities and civil society have a seat at the table and a say in how the transition is managed. These efforts should seek to actively engage women and other gender minorities. The language should be made stronger, rather than the existing inferential language. For instance, instead of usage of the words “will be compliant” with respect to safeguards, it should be “must be compliant”.

It should also be noted that ADB's Environment Safeguards asks for environmental and social impact assessments to only take place in the beginning and end of projects. It will be important to undertake interim Environmental Impact Assessments and Social Impact Assessments, to assess the impacts on the environment, biodiversity, and communities.

- 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, as well as links to droughts and flooding, FFA urges ADB to rethink large hydropower as sustainable energy. Hydropower worsens impacts of climate change in Asia, a region already vulnerable to climate change impacts. Hydropower reservoirs emit significant amounts of greenhouse gases, particularly methane, which is a greenhouse gas 30 times more potent than CO₂ over a 100-year span. Various studies, including a [2016 study by researchers at Washington State University](#), confirm that methane emissions released from dam reservoirs are far greater than previously believed, and are a significant contributor to climate change.

Hydropower projects also impair the ability of rivers to act as global carbon sinks. The silt and nutrients that rivers take to the sea feeds plankton and absorbs large amounts of carbon. In doing so, healthy rivers [remove about 200 million tons of carbon](#) from the atmosphere every year. An emphasis on large hydropower is contrary to the ADB's stated goal of mitigating climate change and making all "finance flows consistent with low-GHG emission and climate resilient development pathways" (Point 28, p.10).

Specifically in reference to the Mekong River Basin, the assessment should cover local and basin-wide impacts on people, environment, livelihoods, and society.

- In relation to Support for Waste-to-Energy Projects (Point 82)

Thermal waste to energy operations produces toxic ash and emissions containing heavy metals and persistent organic pollutants. Therefore, exceptions and clear screening criteria should be stated in the draft policy.

Waste incinerator facilities burn waste, which includes plastic materials as feedstock (i.e., sourced from oil-based products and products that are potentially recyclable), and would thus be considered as a carbon-intensive form of energy that fails to be aligned with Paris Agreement commitments.

- In relation to Support for Gas Project Investments (Point 87)

In its recently published report, "[Net Zero by 2050, A Roadmap for the Global Energy Sector](#)", the International Energy Agency (IEA) states in its net-zero emissions scenario that "CO₂ emissions from electricity generation fall to zero in aggregate in advanced economies in the 2030s", and "in emerging market and developing economies around 2040". Therefore, supporting new fossil fuel-based power generation is inconsistent with the goals to achieve net-zero emissions by 2050, and the ADB should end its support for such projects.

For the bank to ensure its financing aligns with the 1.5°C Goal/IPCC Pathway 1, FFA recommends 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. Financing renewable energy projects through scaling up existing plans and ambition for renewable energy development should instead be prioritized.

- In relation to withdrawing from fossil fuel projects

FFA welcomes the ADB's commitments to support the early retirement and decommissioning of coal power plants. FFA also welcomes the promise on withdrawal from extracting fossil fuel (coal mining, oil, and natural gas field exploration, drilling or extractive activities) and coal-related power and heat

generation. FFA recommends that the ADB clearly provide the timeframe of this withdrawal, and ensure that this extends to all the support provided by ADB that is being funneled through financial intermediary modalities.

- In relation to hybrid electricity solutions

In Point 88, it is stated that ADB may participate in financing projects with hybrid electricity solutions involving fossil fuels as backup systems together with renewable energy for isolated grids. ADB should clearly provide the timeline for when they would agree to finance hybrids for transition before its full phase out by 2040 – if according to the IEA “Net Zero by 2050...” report.

Clear assessment guidelines are needed to prioritize closing and retrofitting sites in a manner that is consistent with a 1.5C pathway, that advances a just transition for workers and communities affected and ensures full closure of the site with full ecological rehabilitation.

- In relation to Ensuring a Just Transition

On Point 98: It is acknowledged that ADB would be supporting DMCs in their just transition journey. It would be good to mention if there’s an omnibus just transition framework that ADB would be providing, and if there would be a specific staff guidance and support developed for this. A gender lens needs to be applied to all such plans on a ‘Just Energy Transition’.

- On “Engaging with Institutions and Framing Policy Reforms”

FFA recommends that the ADB provide 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). There also needs to be clear guidance on 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 even more pertinent that the ADB intervenes effectively to ensure marginalized communities do not remain under-served or left with sub-quality or unaffordable services.

- On Subsidy Reforms

The draft policy needs to be clear on how current users can protect themselves from increase in electricity charges (i.e. protect consumers). Additionally, point 105 states that “ADB will encourage DMCs to phase out fossil fuel subsidies”. This should be done also with non-DMCs (e.g. Australia).

FFA recommends that the ADB support DMCs to develop a skeletal framework for reform strategy and build in elements of environmental and social safeguards, FPIC, periodic monitoring and capacity building of the DMCs for the just energy transition.

- On Private Sector Participation

FFA welcomes the notion of gender in this paragraph in terms of gender balance and equal opportunities in employment. FFA acknowledges the willingness of ADB in supporting “*energy sector institutions, utilities and companies of DMCs to increase their corporate sustainability through introduction or strengthening of internal pollution control and waste policies and procedures, ensuring compliance with national laws and regulations, and strengthening internal labor and health and safety policies and procedures*” (Point 101).

As gender-based violence and harassment in the workplace and engaging women in a meaningful way are two key issues for the private sector, FFA recommends that ADB should mandate, through its financing,

the energy sector, utilities, and companies operating in DMCs to prevent gender-based violence and harassment, and promote meaningful participation of women staff.

To commit to the Paris Agreement, in Article 2, point 1, bullet c, ADB should require the energy sector institutions, utilities, and companies of DMCs to disclose their direct and indirect greenhouse gas emissions. ADB should support energy sector institutions, utilities, and companies of DMCs to increase their corporate sustainability through introduction or strengthening of internal pollution control and waste policies and procedures, ensuring compliance with international standards and conventions that DMCs are members of; and strengthening internal labor and health and safety policies and procedures that align with international standards and UN conventions, strengthening procedures on Free Prior and Informed Consent (FPIC) and meaningful participation of affected communities and vulnerable groups including women and sexual minorities, introduction of corporate human rights and due diligence. ADB should strongly be involved in encouraging the transfer of technology, making renewable energy technologies affordable and competitive, incentivising capacity development in science and tech for R&D in DMCs, women in STEM to develop and scale new technologies, and financing innovative R&D and nature-based solutions, especially those developed by indigenous communities and other minorities.

While acknowledging the ADB's support in public-private-partnerships, FFA recommends that ADB should put measures in place to ensure this type of partnership benefits all people, including people living in poverty and other vulnerable groups with high standards of safety and accessibility.

It would also be essential for the ADB to ensure that the investments in the private sector are done through responsible business considerations, ensuring that businesses and financial institutions are not invested in fossil fuels and are not involved in human rights abuses in their last mile operations.

Taking transparency and accountability into account, FFA recommends that the ADB should include the responsibilities of the private sector in being transparent and accountable to the negative economic, social and environmental impacts on communities, vulnerable groups and civil society organizations, and support in creating accessible complaint mechanisms. By doing this, the transparency and accountability of ADB, as well as private sector clients, would be enhanced.

To engage in a dialogue for SOE reforms, it is important that the ADB specifically mentions herein that this dialogue is a multi-stakeholder one, involving civil societies and communities to ensure all issues are onboard. Also, there should be guidance provided to DMCs to facilitate this dialogue to avoid conflict of interest, which often comes with such reforms.

- On Sector-Wide Long-Term Planning

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 are crafted behind closed doors by government officials, private sector power companies, and MDB-associated staff or consultants. The ADB must ensure that cross-border investments and projects do not further exacerbate the unequal power dynamics in each region. As the ADB increases its engagement with DMCs to support integrated energy planning, there is a need for harmonization of policies at the regional level, and to incentivize capacity development in science and tech for R&D in DMCs, encourage women in STEM to develop and scale new technologies, and finance innovative R&D and nature-based solutions especially those developed by indigenous communities and other minorities. FFA urges the ADB to reinforce its assistance to countries to include targets under their NDCs that align the global and regional impact of their domestic financial sector to the goal of limiting the global temperature increase to 1.5 degrees Celsius.

Recommendation 3: Social responsibilities of new RE investment project

It is necessary to have policies to support production, jobs for residents whose land is acquired. Project developers and the bank must fulfil commitments to create jobs for local residents, especially for women and ethnic minorities with a certain percentage working in their plants with full insurances and benefits. In addition, local governments should coordinate with project owners and the bank to organize vocational training courses for local residents and loan supports to affected farmers.

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