

STATEMENT

On the Asian Development Bank's 49th meeting of its Board of Governors

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STATEMENT ON THE OCCASION OF THE 49TH ANNUAL MEETING OF THE BOARD OF GOVERNORS OF THE ASIAN DEVELOPMENT BANK

Sustainable development figures prominently in this year's meeting of the Board of Governors of the Asian Development Bank's with its chosen theme "Cooperating for Sustainability". ADB has also expressed many times its support for achieving the Sustainable Development Goals by directing "enhanced resources to human needs, infrastructure, and cross-border public goods to eradicate poverty and strengthen sustainable development."

For many Asian developing peoples, however, whose governments have participated for almost half a century in ADB's poverty reduction programs, the 49th ADB-AGM also gives rise to challenging these pronouncements. While Asia's economic growth has risen above other global regions, it is also the site of deepening wealth and income inequality. While poverty indicators are said to have improved over the years, impoverishment and deprivation continue to mark the lives of millions of people in ADB's Developing Member Countries, rendering them highly vulnerable especially because our region is gravely impacted by climate change.

ADB has been significantly involved in facilitating private finance flows to support private investments that have multiplied peoples' hardships and contributed to exacerbating the climate crisis through continued funding of the dirtiest of fossil fuels - coal. Increasingly, the Bank has been resorting to such instruments as Public-Private Partnerships and so-called "blended finance" that taps into money intended as development aid to catalyse private finance for undertakings packaged as "clean energy" and "energy efficiency" projects. Investment guarantees continue to be offered as well, in effect shifting risk to ordinary taxpayers. These mechanisms have made due diligence on social and environmental safeguards, human rights compliance and transparency and accountability much harder to exact from private investors.

ADB clearly believes the dirty lie that coal can be clean. From 1994 to 2012, ADB financing for 21 coal-fired power plants reached \$3.9 billion, making it the third largest public international funder of such projects. One of these is the Mundra Ultra Mega Power Project in India, financed in part by a \$450 million loan from ADB. Millions of tons in CO₂ are emitted each year by the 4,000 MW plant. Communities have lost homes, farmlands and fishing grounds and children suffered respiratory ailments. In the Philippines, ADB extended loans of \$120 million for the construction of the Korea Electric Power Corporation's 200-MW coal-fired power plant in Cebu province, and \$200 million for the rehabilitation of the Masinloc Power Partners Ltd.'s 600-MW coal-fired thermal power plant in Zambales province. Eleven other coal plants in the Philippines that ADB helped fund have shown dangerous discharges of mercury, arsenic and lead, in addition to the dirty energy that they typically emit. The Bank recently provided "credit-enhancement" for the issuance of the first climate bonds in Asia-Pacific: PHP10.7 billion (over \$230 million) climate bonds of a subsidiary of Aboitiz Power, a major coal-producing firm in the Philippines.

We understand “sustainable development” as defined in the widely recognized Brundtland Report, to mean “development that meets the needs of the present without compromising the ability of future generations to meet their own needs,” gives an “overriding priority” to the needs of the world’s poor and recognizes the limits of the environment and our planet. ADB’s directions, policies and actions show no such understanding, but in fact, the very opposite of supporting sustainable development.

In the lead up to its 50th year, it is more than past the hour for ADB to give substance and credence to its avowals of sustainable development, and to listen closely to people and communities of its developing member-countries: Enough of the infrastructure-driven, corporate-led growth strategy that has contributed to our poverty and the destruction of our homes and environments! Stop privatization in any form of our water and energy sectors and services! End loan funding of fossil fuel/dirty energy projects!

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