

The Asian Development Bank Must Advance a People-Centred, Green, and Gender-Transformative Just Energy Transition in Asia

Published on 5 May 2025

We, the undersigned civil society organizations (CSOs) and community representatives, on the occasion of the Asian Development Bank's (ADB) 58th Annual Meeting of the Board of Governors in Milan, Italy, call on the ADB's President, Masato Kanda, Board of Directors, and Senior Management to advance a people-centred, green, and gender-transformative Just Energy Transition (JET) in Asia by urgently addressing ongoing and emerging social, environmental, and human rights concerns regarding its energy transition mechanism (ETM) model and implementation in Indonesia, Philippines, and other pilot countries, and in the ADB's overall approach to JET.

These include, but are not limited to, concerns repeatedly raised by CSOs, communities, and workers that the ADB's ETM has loopholes for continued coal financing; lacks meaningful consultation with communities, CSOs, and women's rights organizations (WROs); insufficiently considers gendered impacts on women, girls, and other marginalized groups; promotes resource-intensive and environmentally-destructive energy alternative "false solutions"; lacks clarity on the extent to which ADB's safeguards and accountability mechanism will apply; and insufficiently addresses reports of reprisals on communities and rights defenders. If unaddressed, these gaps risk reinforcing and inflaming structural social, economic, and gendered inequalities across Asia.

There is no time to waste. Communities and vulnerable groups in Asia, such as workers, women, gender minorities, and Indigenous Peoples, are already disproportionately burdened by the devastating impacts of climate change and continuing extraction of minerals in their communities. Asian countries also remain some of the most dependent on highly-polluting dirty fossil fuels, especially coal, while being severely under-resourced and under-equipped to catalyze and sustain an energy transition that is not only fast and aligns with greenhouse gas (GHG) emission reduction targets, but also upholds justice principles and the rights of peoples and the environment.

We urge the ADB to course-correct immediately and strengthen its approach to JET in lieu of the planned launch of the ADB's Sustainable Critical Minerals & Clean Energy Technology Manufacturing (CM2CET) Value Chains approach and Environmental and Social Framework (ESF) at the annual meeting, and the forthcoming review of the ADB's Energy Policy.

To this end, we make the following recommendations:

- **Comprehensively address community impacts of the ADB's ETM and enhance meaningful consultation with communities and CSOs:** Without the informed and active participation of communities, the benefits of energy infrastructure projects often leave out those most in need. Communities affected by the ADB's ETM have reported insufficient consultation, limited access to project information, and inadequate compensation or support for livelihoods impacted by the shift from fossil fuels. There is a particular need to obtain the Free Prior and Informed Consent (FPIC) of Indigenous Peoples and ensure that no projects are implemented in areas where they reside in voluntary isolation. The ADB and all implementing partners of the ETM should uphold meaningful participation of affected communities and marginalized groups at every stage of project planning, implementation, and monitoring. This includes ensuring accessible consultations, culturally-appropriate communication, capacity-building, and mechanisms for accountability and grievance redress. A truly just energy transition must empower the voices of those most affected—including marginalized sectors, such as fisherfolk, outsourced workers, and other vulnerable communities—whose lives and futures are directly impacted. Only through inclusive, transparent, and participatory processes can we ensure that the energy future we build is equitable, sustainable, and just for all.
- **Promote community-led, rights-based development and ensure safe and meaningful participation of communities:** In the context of shrinking civic space and increased militarization in the region, stakeholder engagement with communities should be done in a safe and secure manner. Any risk of retaliation should be properly mitigated and addressed, and where present, concrete outcomes and commitments to remedy must be ensured. The ADB should conduct human rights due diligence in pursuing energy projects and must ensure that borrower-clients abide by strict protocols safeguarding the rights of project-affected communities and their environments. This includes respecting Indigenous communities' FPIC and their right to say no to destructive energy projects. Furthermore, support for community-led initiatives that meet local needs and promote energy security should be mobilized.
- **Strengthen gender considerations in ADB's ETM and advance gender equality and women's empowerment in Asia's JET:** In addition to addressing ongoing social, environmental, human rights, and transparency and accountability concerns regarding the ADB's ETM, we urge the ADB to strengthen gender considerations in its ETM and overall approach to JET. Just transition planning in all ETM countries must be guided by a commitment to gender equality and women's empowerment. Second, all assessments of the potential risks and opportunities of the ETM should include the collection and analysis of gender-disaggregated data, including information on gendered impacts on health, livelihoods, unpaid care and domestic work (UCDW), gender-based violence (GBV), changes to household and community power dynamics, energy access, employment, and decent work. Third, a stand-alone

gender impact assessment, in addition to tools such as the Strategic Environmental and Social Assessment (SESA) and the just transition plan, must be in place, and that this is delivered with inclusive, active, meaningful, and continuous participation of women, WROs, and CSOs throughout the project cycle. Fourth, the ADB must strengthen initiatives that promote energy democracy through small-scale, locally owned, and gender-representative energy systems. Fifth, the ADB must elevate its commitment by embedding robust gender-responsive elements in the ESF and other relevant energy transition strategies and policies. Lastly, we urge the ADB to enhance the transparency and accessibility of project-level documents, such as those associated with addressing gender considerations.

- **Halt current, and avoid, future investments that promote the expansion and resilience of the fossil fuels sector:** The ADB should halt all existing support to sectors linked to fossil fuels, including by avoiding providing financial support to any activity that could support the expansion of extracting and processing of fossil fuels for energy and other purposes. The ADB should immediately halt direct loans to fossil fuels-linked companies; even if these loans support renewable energy infrastructure, they free up companies to use their own capital to invest further in fossil fuels-linked infrastructure. The ADB should also halt all technical assistance oriented toward supporting regulatory reforms in the energy sector that could promote the continuation of reliance on fossil fuels and therefore lead to carbon lock-ins in Asian countries. Fossil fuels have historically led to significant risks and harms to the environment and local communities in the ADB's countries of operations. The ADB, which claims to be the 'climate bank' of Asia, should provide remedy and avoid replicating harmful investments in fossil fuels-linked infrastructure. Instead, the ADB should promote a fair, inclusive, and just transition away from fossil fuels by investing in local communities' potential to lead this transition.
- **End support for techno-fixes and false energy solutions:** ADB's continued promotion of false climate solutions—such as carbon capture utilization storage (CCUS), Waste-to-Energy, co-firing technologies, large hydropower, and geothermal megaprojects—reveals a deeply concerning failure to commit to genuine decarbonization. By channeling climate finance into harmful technologies that prolong fossil fuel dependence, displace communities, and devastate ecosystems, the Bank undermines both its climate commitments and the very communities it claims to serve. Despite clear evidence of environmental destruction, human rights violations, and social injustices, ADB persists in categorizing these projects as 'renewable' or 'low-carbon', ignoring documented risks and opposition from affected people. We urgently call for an end to financing for these destructive pathways and demand that the Bank realign its investments toward truly sustainable, community-centered solutions. In its forthcoming energy policy update, ADB must decisively abandon false solutions and reorient its approach to prioritize authentic, just, and transformative climate action.

- **Prioritize sustainable, community-centred renewable energy solutions:** ADB needs to urgently redirect its energy finance towards truly sustainable, community-led renewable energy systems in direct partnership with communities. The Bank must scale up investment in proven technologies, such as solar, wind, and small-scale hydro, and end support for false solutions like large hydropower, hydrogen, industrial biofuels, and carbon offsets. A just transition requires decentralized, locally-owned energy that strengthens resilience, protects rights, and delivers real climate benefits. The ADB must shift from loan-heavy models to grant-based financing for renewable projects, embed mandatory gender-responsive budgeting and community participation, and fully disclose environmental and social risks. It must also end all forms of direct and indirect fossil fuel support, including through technical assistance, development policy loans, and blended finance that locks countries into fossil gas under the false guise of 'transition', 'low-carbon', or 'clean energy'. ADB must require rigorous environmental and social due diligence for all operations, strengthen disclosure of energy project risks, and embed gender equality, youth inclusion, and community consultation as well as FPIC for Indigenous Peoples as core requirements across the project cycle. True Paris Agreement alignment demands a complete shift to democratic, inclusive, and genuinely renewable energy systems.
- **Enhance transparency of fossil fuel GHG emissions reporting and prioritize clean air as a key consideration in JET financing and safeguards:** While the ADB claims its safeguards mitigate harms, there's a disconnect between policy and practice. The Paris Agreement's Enhanced Transparency Framework (ETF) aims to standardize global climate accountability, yet international financial institutions (IFIs) like the ADB are slow to align their safeguards and ETMs. The ETF requires detailed emissions reporting, but IFIs often compartmentalize data, hiding project-level GHG impacts, especially those associated with coal and gas. For example, ADB-funded coal plants in Pakistan report aggregated emissions, obscuring local health and ecological damage. Moreover, the focus on CO2 neglects Short-Lived Climate Pollutants (SLCPs) like methane and black carbon, which significantly contribute to global warming and are prevalent in ADB's fossil fuel investments. The ADB ETM's claim of retiring coal plants early is undermined by the absence of binding SLCP reduction targets, allowing ongoing methane leaks from abandoned mines. Additionally, the ADB ESF's neglect of non-CO2 pollutants contradicts the Global Methane Pledge, which ADB developing member countries (DMCs) like Pakistan have adopted. Without integrating SLCPs into disclosure requirements, IFIs make the ETF ineffective, permitting climate-harmful investments under the guise of compliance. The ADB cannot claim climate leadership while funding such pollutants. Full transparency is essential for all emissions, not just for those that are politically convenient to report.

This joint statement is endorsed by:

- Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE)
- Asian Forum for Human Rights and Development (FORUM-ASIA)
- Coalition for Human Rights in Development (CHRD)
- Fair Finance Asia (FFA)
- Fair Finance Pakistan (FFP)
- Global Alliance for Incinerator Alternatives Asia Pacific (GAIA-AP)
- IBON International (IBON)
- International Accountability Project (IAP)
- NGO Forum on ADB (the Forum)
- Reality of Aid Asia Pacific (RoA-AP)
- Recourse
- ResponsiBank Indonesia
- Right Energy Partnership with Indigenous Peoples (REP)
- The PRAKARSA