

HEADLINES

ADB urged to formalize policy to stop funding coal-fired plants

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The Asian Development Bank's independent evaluation department (IED) called on the multilateral lender to formalize its stance to no longer fund new coal-fired power plant projects.

Based on an evaluation of the ADB's energy policy and program for the years 2009 to 2019, the IED recommended that the bank revisit its energy policy and formally withdraw from financing new coal-fired energy capacity to help the region meet the global consensus on climate change.

The evaluation report found that while the Philippines-based ADB has refrained from investing in coal-fired power plants since 2013, it now needs to align its policy to this practice and clarify its formal institutional position.

“Asia has the highest demand for natural resources and the largest emissions of greenhouse gases contributing to climate change [such that] efforts of ADB's developing member countries to curb these emissions will have worldwide impact,” said Marvin Taylor-Dormond, ADB's director general for independent evaluation.

“As a leading development partner in the region, ADB can play a key role in helping address these serious environmental challenges through its energy policy,” Taylor-Dormond added.

In the 10 years covered in the evaluation, ADB approved \$42.5 billion in funding for the energy sector, most of which went toward electricity transmission and distribution.

The report noted that the Asia-Pacific region—which is still heavily reliant on thermal coal for power generation— has the world’s most coal projects in the pipeline.

Of these projects, about four in every five are in ADB’s developing member-countries, such as the Philippines. INQ

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