

BANKwatch

CRITICAL PERSPECTIVES FROM THE NGO FORUM ON ADB

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Photo by Teal Scantoro

The dichotomy between progress and preservation.



The dichotomy between progress and preservation.

(Front cover) The adverse environmental effect of the largest hydropower in Laos PDR, Nam Theun 2.

(Back cover) A highly urbanized city, Puerto Princesa in Palawan Philippines is famed for its biodiversity conservation.

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Mainstreaming climate change: Whose responsibility?

Dr. Avilash Roul

The link between climate change and development is evident. The Johannesburg Summit (2002 World Summit on Sustainable Development) strongly popularized the concept of 'mainstreaming' which involves the integration of policies and measures that address climate change into development planning. Half a dozen years later, while it has become a common practice to use countries' developmental models to validate the sustainability of such models of progress, the Asian Development Bank (ADB) has not followed suit when it comes to screening its own portfolio of lending. Mainstreaming is done to ascertain the extent to which existing development projects already consider climate risks or address vulnerability to climate variability and change, and to identify opportunities for incorporating climate change explicitly in future projects.

However, multilateral development banks like Asian Development Bank have always avoided putting its 'poverty eradication' programs or its repackaged development program blueprint known as the 'Strategy 2020' under such test. Merely mentioning the objectives and guiding principles does not necessarily transform into action, but simply a case of hype and bluster. Despite its claim as a leader in addressing climate change in its several initiatives in Asia, its investment portfolio in borrowing countries speaks differently. Additionally, the Bank claims that it has just started a climate change implementation plan in all its regional departments to guide its climate-related responses, although not for all projects or sectors.

Recently, five selected ADB-funded projects in several countries were thoroughly investigated by members of the NGO Forum on ADB on the climate change component. The review concluded that none of the project contains any component on climate risks or its vulnerability, or has added to the cause of climate change in their project design as well as in implementation. While busy with streamlining quick business processes, reducing the duration of CPS planning, reaching the target of spending on client's needs, and putting everything under climate change per se, the ADB has apparently put the climate concern on the backburner. How many of the climate-related projects ADB has funded thus far are seriously addressing climate change?

Bangladesh is one of the most vulnerable countries in the world. After the unveiling of the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) at the United Kingdom-Bangladesh Climate Change Conference held in London on 10 September 2008, the 'sole development partner', ADB, provided technical assistance (TA) to build capacity in relevant government agencies to implement this plan. The objective is low-carbon economic growth and climate-resilient development.

However, the ADB assumed that the risks involved in this TA are inadequate government programming and budgeting for climate-resilient development and climate-proofing programs; weak institutional arrangements; and poor coordination among relevant ministries, agencies and development partners. The responsibility has been handed over to the Bangladesh government even before the TA finished!

(cont'd. on page 20.)

From Copenhagen to Cancun: Climate Finance

By Maria Athena Ronquillo-Ballesteros

The Copenhagen Accord acknowledged that supporting developing countries' efforts to reduce emissions and adapt to the impacts of climate change will be essential to any new climate agreement. To make these financial commitments a reality, the next two United Nations Framework Convention on Climate Change (UNFCCC) Conferences of the Parties (COP) will need to settle on a financial architecture to manage and distribute these funds.

In Cancun (2010) or South Africa (2011), the COP must achieve three goals: ensure that developed countries deliver on their financial pledges from Copenhagen; set criteria and priorities to guide the distribution and allocation of climate funds; and establish the financial architecture to channel and deliver this support.

The financial architecture must address the following elements:

- Short-term and long-term funding commitments;
- Bilateral and multilateral delivery channels for these funds; and
- International institutional arrangements for measuring, reporting and verifying both the delivery and the spending of these funds in order to build trust and ensure accountability.

Finance in the Copenhagen Accord

The Copenhagen Accord, which has been supported by over 120 countries since Copenhagen, outlined two significant funding commitments from developed countries to the developing world, which together include finance for adaptation¹, forest loss prevention (REDD+)², and **technology development and transfer**³.

The first is a "fast start" investment of US\$30 billion over three years; the other is a long-term commitment of US\$100 billion per year by 2020. Countries that supported the Accord agreed that the funding would be "new and additional" and come from a "wide variety of sources," including public and private, bilateral and multilateral, and alternative sources.

Given the challenge of raising \$100 billion annually, the Accord called for a high-level advisory

panel to study **innovative sources of funding**⁴, including levies on airplane fuels and redirecting fossil fuel subsidies.

The Copenhagen Accord also called for the establishment of a Green Climate Fund to support developing countries, but it provides no details on the fund's governance structure and how it should operate. **Climate-specific funds already exist both within and outside the UNFCCC**⁵ that support projects in developing countries. These funds include the Global Environment Facility, the Adaptation Fund, the Least Developed Country (LDC) fund, the World Bank's Forest Carbon Partnership Facility (FCPF), and the Multilateral Development Bank (MDB)-administered Climate Investment Funds (CIFs) among others. In addition, bilateral agencies and MDBs have **started to take climate change into account**⁶ as they funnel significant resources toward energy projects in developing countries.

While the Copenhagen Accord set some important political priorities and directions, it remains controversial, particularly for countries that feel it falls far short of the necessary scale and ambition. Formalizing and clarifying Accord provisions through the UNFCCC process will be a struggle that will require trust and goodwill.

Next Steps for Cancun and Beyond

As Cancun rapidly approaches, several actions are necessary in order to rebuild trust and goodwill for the negotiations.

1. First, developed countries should begin to deliver the \$30 billion "fast start" funding. At the moment, **the pledges add up to approximately \$26 billion**⁷. In order to ensure its delivery, agreed rules are needed to measure and report this information. The COP in Cancun could agree on a decision requesting developed countries (Annex

- II Parties) to provide interim reports to the UNFCCC Secretariat prior to COP-17 on their contributions toward the US\$30 billion fast start fund.
2. Second, to get moving on the long-term finance commitment in the Accord, countries should clarify what new sources of funding could contribute to this goal. Since Copenhagen, UN Secretary General Ban Ki-Moon has chaired the **High-Level Advisory Group on Climate Change Financing**⁸. It is possible that the findings of this group could be endorsed/ recognized through a mandate from the COP in Cancun, and if this mandate is secured, it is possible that the advisory group's recommendations will be considered and reflected in a decision at COP-17 in South Africa.

In order to enhance the delivery of financial resources and investment, negotiators should take into account country ownership, effective use of resources, and maximization of impact while also ensuring funding for the most vulnerable countries and communities. To achieve these goals, the COP-16 in Cancun should focus on the following areas:

Transparency

Developed and developing countries need to commit to transparency in both the delivery and utilization of climate finance. This will build trust on both sides that the money is flowing and being spent effectively.

However, current UNFCCC finance reporting guidelines and related guidance from other institutions such as the OECD Development Assistance Committee (DAC's) Creditor Reporting System are **neither transparent nor comprehensive**⁹. World Resources Institute (WRI) is researching ways to accurately **track this information**¹⁰ and report it. A decision at COP-16 could request the UNFCCC Secretariat to cooperate with the MDBs, the OECD, and experts from developed and developing countries to formulate a draft decision on guidelines for reporting and review of financial information at COP-17.

Regular reporting to the UNFCCC will give countries a transparent way to see how other countries are meeting their financial commitments and how the money is being utilized. It is critical that these initial financial pledges offer additional funding to what developed countries already provide through official development assistance (ODA).

Governance

If a decision on climate finance is to gain the necessary political support, any new financial mechanism must embrace strong governance structures and procedures that will give a greater voice to developing countries. This should be done in a manner that ensures efficiency, effectiveness and accountability, but more importantly results in better environment and development outcomes.

Delivering this money effectively requires: an institutional architecture that is inclusive and transparent; reform of the governance structure of existing institutions involved in climate financing; and equitable and balanced representation between developed and developing countries in relevant governing bodies.

To ensure that decisions around finance are made with strong governance rules in place, **relying solely on existing multilateral funds**¹¹ that many developing countries are wary of, such as the MDB-administered CIFs, may not be sufficient. Figuring out whether or not these so called "live experiments" fit into a larger finance mechanism under the COP should be a priority this year.

Maria Athena Ronquillo-Ballesteros is a Senior Associate at WRI's Institutions and Governance program. Prior to joining WRI, she was head of Greenpeace International's climate and energy program in Asia Pacific, and led the development and expansion of climate policy and sustainable energy work in China, India, Philippines, Indonesia, Thailand and Japan. She is one of the founding members of the NGO Forum on Asian Development Bank (ADB) which has grown to a coalition of over 250 organizations working on ADB reform.

Endnotes:

- 1 <http://www.wri.org/stories/2010/05/copenhagen-cancun-adaptation>
- 2 <http://www.wri.org/stories/2010/05/copenhagen-cancun-forests-and-redd>
- 3 <http://www.wri.org/stories/2010/05/copenhagen-cancun-technology-transfer>
- 4 <http://www.usclimatenetwork.org/policy/international-finance>
- 5 <http://www.wri.org/publication/power-responsibility-accountability>
- 6 <http://blogs.worldbank.org/climatechange/will-climate-finance-mean-new-path-worldbank>
- 7 <http://www.wri.org/stories/2010/02/summary-climate-finance-pledges-put-forward-developed-countries>
- 8 <http://www.un.org/apps/news/story.asp?newsID=33748>
- 9 <http://www.wri.org/publication/guidelines-for-reporting-information-on-climate-finance>
- 10 <http://www.wri.org/stories/2010/02/summary-climate-finance-pledges-put-forward-developed-countries>
- 11 <http://blogs.worldbank.org/climatechange/will-climate-finance-mean-new-path-worldbank>

RESEARCH STUDY

Climate Error: Misconceiving the Development Issue

A Hardline View of the Water Resource Management Project of ADB in Bangladesh

By Md. Sarwar Hossain

The Asian Development Bank (ADB) has been funding water management projects in Bangladesh since the 1960s as it implements its policy of “Water for All.” With financial support from ADB, several construction-based water management projects have been implemented, especially in the coastal areas of the country. Unfortunately, there exist several examples of failure in project implementation, primarily due to misconceived project designs by the ADB in terms of environmental sustainability, community participation and local needs.

Our investigation involved the assessment of the risk of climate change through the People’s Environmental Impact Assessment (EIA) and of whether the ADB was concerned with climate change in designing the project for a coastal wetland system (*ChenchuriBeel*) located in *Narail* district in the southern part of Bangladesh where the ADB has planned to implement an Integrated Water Resource Management (IWRM) project.

The People’s EIA consisted of a historical chronology of community risk assessment, development of causal loops, matrix and scoring system, and livelihoods mapping, among others. Seasonal calendar, case studies, and a problem matrix to identify and prioritize the risk being faced by the communities were some of the key components of the People’s EIA.

Community perceptions of common risks throughout the year are mostly related to hydro-meteorological phenomena. The community’s experience over the last two decades suggests that the main risk persisting is that of the shifting period of hydro-meteorological events occurring over the year which is, at the same time, expanding in length. This means communities are facing variable risk events for a longer and unusual time, ultimately threatening their adaptation capacities. The concept of risk events suggests that most of the threats are posed by the rising temperature. For example, early season drought, mid-season drought, salinity and water scarcity -- all consequences of elevated temperature -- are affecting the livelihoods of the wetland community. Temperature was observed to rise in all seasons, especially from March to September

and even in winter season. Before the 90s, the period from March to May and the month of August were the periods of early season and mid-season which have since extended from March to August. Variation of temperature over time has also affected the sensitivity and production of the ecosystem in the region. The season of ‘fish unavailability’ has shifted periods along with drought conditions.

Salinity, a rare phenomenon before the 90s, is severely affecting the communities nowadays. Communities reported that with the rise in temperature, they are facing more salinity problems in the area, the severity of which almost parallels those of the drought conditions, and has even worsened at least twofolds over the last 30 years. Hailstorms have been observed to increase while the severity of cyclones and floods has been reported as negligible in the area. Fogs have increased while winters have shortened over time and gotten warmer by the day. Seasonal rainfalls have likewise undergone substantial changes in terms of the shifting of peak season, the amount of rainfall, etc. Communities reported that they have observed more erratic rainfalls recently. Rainfall intensity has increased, but the peak rainfall season has shifted and has become very harmful for agriculture these days. The amount of rain has increased during summer, monsoons have decreased and winter has gotten drier. The cultivation time of local varieties of rice has not changed but farmers reported that their production cost has increased substantially while actual production decreased by up to 50 percent in the last 5 years due to the extended length of fogs, unusual summer heat, irregular rainfalls and

Dying biodiversity in beel area due to rising salinity.



Photo courtesy of USS Jessore Bangladesh.

extensive salinity. Costs of chemical fertilizers and groundwater irrigation have increased manifold over the last 15 years whereas these costs were somewhat near 'zero' even during the 90s. The length of the fishing season has gotten shorter since the 90s as well. Due to water scarcity and salinity during the breeding season, the fish population in the region has also declined.

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ADB ignored the long-term impact of the proposed activities on the climatic condition in the project area. That is why it was not endorsed unless adequate measures, as proposed in the EIA, have been undertaken for climate change adaptation and mitigation.

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The problem matrix and causal loop analysis suggest that the sources of livelihoods, including alternative livelihoods, are getting depleted in communities while the required time to be spent for such livelihoods is increasing rapidly. The pattern of labor demand and seasonal migration has also changed in the region over time. In the past, 'day labor' as a source of livelihood was absent but, these days, it has become very much common because

people are migrating from traditional occupations such as fishery and agriculture as a result of high cost and low production. The problem matrix prepared by the communities suggests that climatic events such as rainfall, temperature, drought and salinity are affecting livelihoods. Also, the chart 'Trends of Livelihood' constructed by the communities reports that agriculture and direct nature-based sources of livelihoods are declining over time while new kinds of jobs, most of which were absent in past, like glossary shop and day labor are increasing. This indicates that natural productivity is falling sharply, responding to the environmental changes that are occurring in the region.

The causal loop diagrams, problem matrix, seasonal calendar and case studies developed by the communities suggest that climate change might have triggered the changes in livelihood patterns in the region through the influence of the hydro-meteorological events.

Based on the EIA report of the project, ADB was not concerned with climate change while designing the project, ignoring the long-term impact of the proposed activities on the climatic condition in the project area. That is why it was not endorsed unless adequate measures, as proposed in the EIA, have been undertaken for climate change adaptation and mitigation.

The study has revealed that the effects of climate change, as well as the morphological changes, are severe in the project area. A review of National Adaptation Programme of Action (NAPA) and other studies coincides with these facts. This study and the NAPA document conclude that the project area (Narail Bangladesh) is one of the most drought-prone areas in Bangladesh.

ADB has failed to assess the impact of the proposed project and Khulna-Jessore Drainage Rehabilitation Project (KJDRP) is one of the examples where people are still suffering from ADB's mismanagement. The EIA report has not even indicated anything about whether or not this proposed project would have any influence or impact in the climatic condition.

As per the proposed project's inception report that has been submitted in mid-2007, the project has to follow a participatory approach during the implementation.

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‘The Khulna-Jessore Drainage Rehabilitation Project (KJDRP) is one of the examples where people are still suffering from ADB's mismanagement.’

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Khal excavation is one of the activities in the proposed project that adopted the approach for adaptation to climate change. But the recommendation in the NAPA, such as flood shelter, has totally been ignored. Moreover, the most important finding is that the community stated that it is not experiencing flood in a way that demands for huge infrastructural work. The establishment of infrastructures in the vulnerable zone for river erosion in the project area is the right decision, but the vulnerable areas should first be identified using technology and the community participation. A community, demand-driven approach needs to be ensured here but, based on the review, this concern is absent.

Credit, tree plantation, fisheries development and others are supposed to be the main approaches but, unfortunately, these related activities are not

clear during the project conception. NAPA has been published in 2005 and the project inception report was submitted in 2007. Thus, climate change should have already been an issue while the project was being designed. The ADB has undertaken a big project but no research activity has been included in the NAPA where one of the recommendations could be the conduct of studies that would understand the local coping mechanism in the face of drought, invention of drought resistance, saline-tolerant crop and the no-tillage cultivation approach among others. In the project objectives, the enhancement of livelihood through agriculture and fishery development was specified as an important issue. The ADB, however, has failed to indicate whose development and what development it was carrying out. Moreover, in Bangladesh, since we really want to develop the agriculture and the fisheries sector, the issues of climate change should be given priority. The NAPA and the Poverty Reduction Strategy Papers (PRSP) (“Strategic Block II: Critical Sectors for Pro-poor Economic Growth” section of PRSP) has identified climate change as one of the important concerns for water resource management. This study finding demands a similar concern. It is evident from the science of climate change and from impact studies that the severity of impact and its frequency will increase in the future and, therefore, the limitation of existing coping strategies needs to be assessed. ADB has failed to mainstream and link the climate change issue in the said development project, and to predict the impact of the proposed project, if any, through their EIA process. This failure is nothing new for the ADB.

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No water in Chachuri beel during the rainy season.

RESEARCH STUDY

Environmental Shortcomings and Social Oversight Characterize ADB Support to Thermal Power Plant in India¹

By Ramamurthi Sreedhar

The Sipat Thermal Power Project is part of the first loan syndication deal of an Indian corporation under the Asian Development Bank's Complementary Finance Scheme. This is a relatively new multitranches instrument of the Bank through which US\$300 Million (approximately Rs 13.15 Billion) has been loaned to the public sector, the National Thermal Power Corporation (NTPC). It is apparent that ADB's finance scheme should have strictly followed the safeguards, providing a window for redressal of grievances.

Several shortcomings and oversight have characterized the project financing. First, the ADB has conveniently chosen to consider the specific component financed by the loan as something which is independent of the entire project, thereby extricating itself from the aspects which have significant adverse impact on the community and the environment while seemingly accomplishing a benign function of providing funding support to the Power Sector Development in India. Second, that the coal-based thermal power is ideal for India is a fallacy that has been promoted by the Bank when, in fact, there are several other renewable energy and lower carbon options available, including a massive scope for efficiency enhancement in the end-use. Third, instead of environmental, social and climate safeguards, gross violations occur at the project level which demand that the record be set right and that commensurate benefits to the affected communities be delivered.

The project authorities, by excluding only the homesteads, have maintained that there is no displacement and, hence, many of the safeguard features become inapplicable. However, when all livelihood sources have been taken away and the area made unfit for any cultivation, it eventually forces people to migrate out of the area. It is unfortunate

that the NTPC as a public sector has also adopted such a mechanism for its acquisition. ADB has been oblivious to this immense dishonesty.

.....
“Coal-based thermal power as ideal for India is a fallacy that has been promoted by the Bank when, in fact, there are several other renewable energy and lower carbon options available.”

The impact area goes beyond the plant site itself, which includes captive Merry-Go-Round (~1200 has.) upstream impacts such as those in Coal Mining Areas for Supply of Coal (~500 has.) and the Hasdeo Dam Area that is providing 120 MCM of water, estimated to deprive irrigation to at least 60000 has. of farm land. No wonder there is a growing

1 Study on the Sipat Thermal Power Plant, Chattisgarh, India, Accelerating Mainstreaming Climate Change Issues in EIA Processes – Forthcoming Report by Environics Trust, New Delhi.

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“The project authorities, by excluding only the homesteads, have maintained that there is no displacement and, hence, many of the safeguard features become inapplicable. However, when all livelihood sources have been taken away and the area made unfit for any cultivation, it eventually forces people to migrate out of the area.”

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dissension between the State Government and the Company over the continued use of water from the Hasdeo Barrage. Air quality modelling (ISCST3) for atmospheric dispersion of stack emissions run under the worst meteorological conditions for atmospheric dispersion, with predicted ground level concentrations (GLCs) of SPM, SO₂ and NO_x over a 20 km by 20 km area centered on the plant. The total emission from the mine and the thermal power plant would be 18 million + 1.5 million + 2.86 million = 22.36 million tonnes of CO₂. Thus, if we add the areas impacted by the plant, it would be nearly a thousand square kilometers.

ADB has chosen to overlook a variety of aspects, probably because the fund is supposedly for specific activities. It perhaps knowingly avoids taking responsibility for the environmental and social impacts of the project.

ADB has not even provided the local communities a semblance of opportunity to participate in any of the decision-making processes leading to the grant of the loan. By listing the panel members as the

participants in a project that affects people across a huge region, the ADB has clearly demonstrated the hollowness of its safeguard policies in action.

ADB remains silent on the issue of communities being promised employment in lieu of land acquired from them. Their grievances are not heard despite several attempts by the local communities.

ADB has fallen prey to looking at the project narrowly from a warped power sector development perspective, rather than acting as a Multilateral Development Bank focused on environmental, economic and social stewardship.

A legitimate question raised by the community is whether ADB is immune to legal action given that the money supports a corporate entity and not the sovereign government.

Mr. Ramamurthi Sreedhar is a Managing Trustee of “*Envionics Trust*”, a duly registered non-profit organization based in New Delhi, India. He can be reached at envionics@gmail.com

Photo courtesy of Environics Trust



RESEARCH STUDY

The North Eastern Integrated Flood and Riverbank Erosion Management Project in Assam, India¹

By Ravindranath

Assam is a flood-stricken area and one of the poorest states in India. Located in the northeastern part of India, dwellers are increasingly vulnerable to recurring disasters related to flooding. The inability to minimize the impacts of frequent flooding remains one of the serious factors that constrains the development of Assam. It is within this context that the North Eastern Integrated Flood and Riverbank Erosion Management Project was proposed by the Government of Assam and the Government of India. Overall, the project intends to improve key infrastructures, including embankments, riverbank protection and flood proofing works along the Brahmaputra River. A multidisciplinary team of consultants assisted the Water Resources Department (WRD) of the state government of India in conducting the Environmental Impact Assessment (EIA). WRD prepared the EIA and the Summary Environmental Impact Assessment (SEIA) through a consultative process of review by the Asian Development Bank (ADB) and other stakeholders.

Within the project purview, the Rural Volunteers Centre, a non-government organization with a reputable track record and extensive experience in flood and disaster management and impacts on communities, initiated an independent evaluation that would assess whether climate concerns are adequately addressed in environmental decision-making. Specifically, the evaluation was undertaken

to see how climate change is mainstreamed in national policy formulation, particularly processes involving or intersecting with EIA. The EIA is central and integral to the evaluation for the following reasons: 1) The EIA is a mandatory procedure for a range of activities in order to assess in advance the environmental and social impact of a proposed project and, therefore, intended to guide decision-

1 Highlights of the study “Mainstreaming of Climate Change in National Policy Development Using Environmental Impact Assessment Process: The North Eastern Integrated Management Project in Assam, India” undertaken by Ravindranath.

River erosion on Brahmaputra
near Dibrugarh

Photo courtesy of Souparna Lahiri

makers to make an objective decision; 2) The EIA allows concerned citizens, communities and other groups to raise issues of concern at the time of public hearing on impact of climate change; and 3) In some countries, the EIA is perceived as a mere formality instead of a set of requirements that needs to be met before a project can proceed.

Process-wise, the evaluation undertook a thorough review of available and project-related documents such as the EIAs of two sub-projects (Dibrugarh and Kaziranga) and summary EIA (SEIA) of the project as a whole. Both the Dibrugarh and Kaziranga sub-projects fall under the working area of Rural Volunteers Centre (RVC). Therefore, these two sub-projects were considered for evaluation as part of the current program.

The following evaluation highlights were noted:

- ADB's EIA guidelines do not talk of a separate assessment for impacts of climate change. It is only in para. 114 where the guidelines state that "In determining appropriate environmental standards for ADB projects, ADB will follow the standards and approaches detailed in the World Bank's *Pollution Prevention and Abatement Handbook*. This handbook describes generally acceptable pollution prevention and abatement measures and emission levels. However, as in the case of the World Bank environmental assessment procedures, the environment assessment for any individual project may recommend adoption of alternative emission levels and approaches to pollution prevention and abatement.

India's National Environment Policy (NEP) of 2006 accepts the premise that "Climate change, resulting from anthropogenic emissions of a suite of gases (called "greenhouse gases" or GHGs) due to fossil fuel use, certain agricultural and industrial activities, and deforestation, leading to their increasing concentrations in the atmosphere, has the potential, over the next few generations, to significantly alter global climate. This would result in large changes in ecosystems, leading to possibly catastrophic disruptions of livelihoods, economic activity, living conditions, and human health." But while talking of responses to such a crisis, the action plan focuses less on nationally grounded mechanisms to mainstream the climate change issue into various policies, legislations and regulations.

- India's National Action Plan on Climate Change (NAPCC) is also silent on the need to mainstream climate change impacts through environment impact assessment. The NAPCC only states that reliable assessments should be made on the impact of climate change on water resources.

The EIA 2006 Notification, which is the outcome of the NEP 2006, is silent on the impact of climate change and how to address that through regulation of emissions. The Government of India's guidelines on EIA still do not have components to address and assess climate change. The project under evaluation does not even need an EIA and a mandatory public hearing, going by the norms of the EIA 2006 Notification.

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“There is no effort towards a rigorous assessment of the impact of construction work on the wildlife in KNP and its biodiversity.”

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- The EIA of the sub-project areas and their reaches is restricted to only 8-10 km of buffer zone around the embankment, thus, completely omitting a large part of the catchment area of the basin also responsible for flood and erosion.

While considering the 'with project' option, the technology that was decided upon and the rationale behind it was not very clear both in terms of traditional flood control and embankment measures and the impact of the technology on the surrounding ecology, environment and sustainability.

Comparative assessments have been made between (i) active river training through spurs and guide bunds to control river channels, and (ii) passive riverbank stabilization along the naturally developed bank lines. On the intervening technology side, the second option has been selected 'because of possible significant upstream and downstream morphological impacts associated with actively controlling the river channels as well as the possible high costs of maintenance.' Within the stabilization option, among quarried rock, concrete blocks, and sand-filled geotextile containers, the latter was preferred for their cost-effectiveness and environmental suitability for use in riverbank protection work. "Geotextile is a very stable material used worldwide, with semi-permanent life far exceeding the project's economic life (30 years)." However, it is also not clear whether geotextile would be used or not where quarried rock is available on site.

- The EIA is also silent on the impact of land use change on the catchment area due to development works such as roadways, highways and new townships and industries around the Dibrugarh subproject.

- Similarly, there is no effort towards a rigorous assessment of the impact of construction work on the wildlife in KNP and its biodiversity, located in a key conservation and ecologically sensitive area in the northeast, ‘since they will be implemented outside the KNP area.’
- In terms of climate contingencies, earthquakes and heavy floods, all the sub-project areas are disaster-prone. But there is a complete absence of a very clear and implementable disaster management model for the project areas.
- No assessment has been made on the impact of climate change on the riverine communities in the project areas and their livelihoods, such as impact of variation in rainfall and sudden floods on agriculture and especially on women.
- The SEIA states that ‘the Program takes an adaptive approach with substantial contingencies to respond to river changes.’ But in the Environment Management Plan, we do not see any concrete and understandable model of adaptation undertaken for this project. Mentions have been made, however, on the need to take such steps in consultation with the WRD, the government and other stakeholders, and to conduct capacity building of the associated agencies.

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‘The EIA often provides contradictory description of the project summary in terms of the nature of the project and the core activities.’

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- The EIA often provides contradictory description of the project summary in terms of the nature of the project and the core activities. It says that no new construction is envisaged since the embankments will only be strengthened and repaired. But, elsewhere, it goes on to describe that sluice gates, roads on embankment, haulage and approach roads will be constructed and that these will require quarried rocks and aggregates and operation of crushers, etc. Under para 77 the SEIA states:

Soil around the construction site, haulage road, construction camp, and workshop will get compacted because of the transportation of machines and materials. Agricultural yields may decline substantially because of soil compaction. Soil may also get contaminated around construction sites, machine maintenance areas, fueling stations, construction camps, hot mix plant

sites, and haulage roads. The movement of construction vehicles, machinery, and equipment will be restricted to the embankment sites and pre-defined haulage road. Adequate provision for approach roads will be made to avoid damaging existing village roads, crop lands, and settlement areas. Construction waste shall be disposed of in the properly delineated places approved by the State Pollution Control Board.

This gives us a rough and sketchy idea of the kind of construction activity to be undertaken, the kind of materials that will be used during the construction, and the mode of transportation. Perhaps, a Detailed Project Report (DPR) would have provided us the whole expanse of the project. But there is no assessment of the impact of road construction in terms of use of cement, asphalt and tar (energy intensive products), hill quarrying of rocks and aggregates, operation of crushers, and use of fossil fuel in transportation and haulage. There is also no data on what will be the source of energy in powering equipment and machinery, construction sites, site offices and labour camps, and how much energy will ultimately be spent. Also, data is wanting on whether there has been an effort to determine that considerable energy could be saved during the construction period in terms of regulation, energy conservation and use of power savers.

- The SEIA also fails to arrive at a concrete conclusion when it says, “the embankment retirement option would need to be considered if other available options are not found to be feasible and sustainable from technical, morphological, economic, social, and environmental perspectives.”
 1. During construction, 2,000 trees in Kaziranga and 10,000 trees in Dibrugarh reaches are likely to be cut down. The EIA predicts only a short-term rise in temperature in the vicinity of the embankment. As a mitigation measure, compensatory tree plantation will be undertaken on the basis of planting three trees for every tree cut.
 2. The SEIA does mention that ‘climate change (global warming) in the catchments area may play a significant role because of its implications on water resources and related environments. While the indications are diverse, one projection model indicates an increase in precipitation for the North Eastern region as a result of a relatively moderate increase in temperature of about 2°C by 2041–2060. This could increase the

- incidence of flooding in the Brahmaputra Basin over the long-term. As a mitigation measure, free board of 1.5 m is provided in the proposed design of the embankments to withstand floods of a return period of up to 100 years within the 30-year economic life of the program.
3. On the impacts of development works in the upstream catchments, the SEIA states, "A large number of hydroelectric projects (57 as of February 2008 with a total generation capacity of 15,000 MW) are being investigated, and some are being constructed, in the upstream catchments of the Brahmaputra Basin. These projects are expected to affect tributary flood behavior in the subproject areas. The upstream dams, albeit mostly run-of-the-river schemes, would reduce flood peaks, while acting as sediment traps that will reduce the outflow of sediments to the Brahmaputra (at least until the reservoirs fill with sediment). Likewise, better watershed management practices in upstream catchment areas will help reduce flood peaks and sediment transport over the long term."
- While a large number of hydroelectric projects in the upstream catchment are associated with the expectations of reduced flood and flow of sediments and better management practices in the catchment areas, the SEIA is silent on the impact of variation in rainfall on such cascade hydroelectric projects, GHGs emission from submerged vegetation, sedimentation in the downstream because of diversion of river water through tunnels, and the submergence and destruction of thousands of hectares of pristine rainforests and biodiversity in the catchment areas. And what do they mean for the Brahmaputra River Basin in the downstream project areas? The possibility of the impact of resultant climate change on downstream Brahmaputra and its riverine communities around the project area, and on the agriculture and livelihoods has been completely neglected.
 - The SEIA says that the 'WRD and the consultants organized public consultations between December 2007 and April 2008 with stakeholders, including government officials, local people, and civil society organizations, to understand their concerns, apprehensions, and opinions. Informal meetings and interviews were organized covering all sub-project reaches.' During the TAs, PPTAs and the consultants' visits, formal consultations might have been organized with the government, the WRD and other officials, agencies and CSOs in Guwahati as well as in Dibrugarh. However, it is clear from above that no formal consultations and meetings were organised in the project areas with the local people. That is why there is a SEIA reference to informal meetings. One is not even sure whether there was a proper consultation with the local communities. When the RVC team visited the two project sites, they found that majority of the villagers did not know of the project at all and there was no information available to them.
 - Lastly, both the Dibrugarh and Kaziranga EIA documents indicate that experts consulted in the preparation of the report are mostly related to environment in general, geology, zoology, soil conservation and testing, and air, water and noise pollution. No climate specialist is on the panel.

Ravindranath, *Director of Rural Volunteer Centre in Dhemaji, Assam, helps riparian communities overcome the fury of flood waters in India. While the speedboat helps him to transport supplies to flood-affected areas, biking is his passion. Every year he sets out on cross-country rides with other Royal Enfield riders. He can be reached at atassamravi@yahoo.com.in.*



Traditional spurs on Brahmaputra.

RESEARCH STUDY

Mainstreaming Climate Change Impacts of Construction of 59-km long Massali-Astara Highway Project

By Irshad Abbasov and Elnur Ahmadov

The NGO Forum on ADB has recently initiated a project on accelerating the mainstreaming of climate change in national policy development using Environmental Impact Assessment (EIA) processes. Within the purview of the project, the study “Mainstreaming Climate Change Impacts of the 59-km stretch of Masalli-Astara Highway” was undertaken by an Azerbaijan-based non-government organization, the Eco-Renaissance NGO. The study was spearheaded by Irshad Abbasov and Elnur Ahmadov.

In the main, the study looks into the Environmental Impact Statement (EIS) of the aforesaid highway project to identify whether or not climate change implications/concerns are considered in the EIS and in the environmental management plan. The study also provides a short analysis of ADB projects in Azerbaijan, and an overview of climate change impact of road transport.

In particular, the research team utilized the following methods:

1. Review of relevant literature including ADB reports and project documentation – A number of relevant and pertinent reports, assessments and journal articles were thoroughly reviewed, including the final draft of EIS of the Massali-Astara Highway project;
2. Field work (road survey and round table meeting) – The road survey conducted on Ganja-Yevlakh Highway provided the vehicle count data necessary to estimate carbon footprint of the project; and
3. Expert judgement – Consultations with an expert who has extensive experience and reputable track record in project monitoring, environment and infrastructure, specifically highway projects, were done.

Overview

The transport sector is one of the main contributors of green house gases (GHG) which are most likely to interfere with the climate system. According to a

report¹ released by the Intergovernmental Panel on Climate Change (IPCC), it was estimated that in 2004 transport generated 23% of the world’s energy-related GHG emissions. Additionally, road transport is responsible for 74% of total transport CO₂ emissions. There appears to be a direct correlation between the economic and population growths and transport-related emissions as increases in gross domestic product per capita bring along an increased demand for vehicle use and ownership. This is a major drive behind the increase of CO₂ emissions in many emerging Asian countries, particularly those that are carbon-intensive. And if the trajectory of transport demand remains at a steady growing pace due to economic growth, then the alarming issue of increased emission needs to be addressed.

.....

“The transport sector is one of the main contributors of green house gases (GHG) which are most likely to interfere with the climate system. It was estimated that in 2004 transport generated 23% of the world’s energy-related GHG emissions.”

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The Project in Focus

The ADB-funded Masalli-Astara Highway project is part of the Southern Road Corridor Improvement project. The Azerbaijan Ministry of Transport developed a Road Network Development Program for 2006–2015 which considers construction, upgrade and rehabilitation of 3570 km of 64 state roads and 5928 km of 58 secondary roads.²

The project includes not only construction of the approximately 59 km-long, 4-lane Masalli-Astara Highway, but also rehabilitation of local roads in the project area, installation of vehicle weighing station and other equipment, as well as capacity building for an executing agency. The project is funded through ADB's multitranches financing facility mechanism. According to the project implementation schedule,³ the project start and estimated finish dates are May 2007 and December 2010 respectively.

Climate Change Considerations in the ADB-funded Projects Seem Wanting

• Significant Gaps in the Environmental Impact Statement

It is interesting to note that significant gaps are evident in the project. A review of the final draft EIS of the highway project reveals that there is no clear mention of climate change impacts that the highway project is likely to contribute. By and large, the EIS report is considered inadequate when it comes to the assessment and mitigation of likely adverse environmental impacts as well as climate change effects.

• The Country Strategy and Program of 2006

A closer look into the lending portfolio of Azerbaijan reveals that 45% of total cumulative lending (US\$ 810.03 million as of November 2009) was allocated to the transport sector, and more than 95% was directed to road/highway improvement and development projects. The figures are consistent with the ADB's posturing in Azerbaijan in that the former plays an important role in the latter's transport sector, particularly in the development of roads.

Azerbaijan joined ADB in 1999. Initially, the ADB led its operations through an Interim Operations strategy, which was later replaced by a Country Strategy and Program (CSP) of 2006. ADB has several programs and initiatives on climate change and transport such as the Sustainable Transport Initiative throughout Asia and the Pacific. Interestingly, the CSP of 2006 is quite superficial when it comes to dealing with climate change in Azerbaijan. The strategy tries to align itself with the government's programs and development goals⁴ which may or may not put climate change at the forefront of its relevant policies as there are other pressing national or local issues to address. The only sectors that the ADB intervention will benefit, from

Sections of EIS	Notes
Description of the environment	<ul style="list-style-type: none"> This section considers the baseline climatic conditions, including amount of precipitation, atmospheric humidity, and other characteristics. There is a discussion of historic fluctuations of the Caspian sea level, as well as concern for its future rise. The section also describes tree species, shrubs and grass plants which will be affected. It is estimated that around 328 trees (age distribution 7 – 65 years) will be lost.
Alternative options	Only loss of trees and distance to protected areas are considered under the environmental criterion.
Likely environmental impacts and mitigation measures	<ul style="list-style-type: none"> There is no clear statement about the contribution of the road project to GHG and, consequently, to climate change in the region. An assessment of impacts on ambient air is very superficial (brief qualitative statement).
Public consultations	Main concerns identified were compensation and resettlement, as well as passage across the road. No environmental concerns were raised.
Appendix Environmental Management Plan	Considers an offset program – an intensive tree-planting program

the perspective of climate change (CC) mitigation and adaptation, are the energy and water sectors. In the energy sector, the CSP considers lending for projects to promote the use of renewable energy sources which are one of the essential means to shift to a carbon-free or less intensive economy. In the water sector, the CSP mentions ADB approval of a flood mitigation project which is a strategic investment toward building Azerbaijan's capacity for adaptation to likely adverse consequences of climate change in years ahead.

In addition, the CSP notes that Azerbaijan joined ADB's Renewable Energy Generation, Energy Efficiency and GHG Abatement project. This is a welcome step towards efforts to reduce and avoid GHG generation in the country. Therefore, it is strongly recommended that the CSP of 2006 be reviewed to incorporate climate change concerns into priority development sectors. Alternatively,

ADB could develop sector-specific strategies to address particular concerns and needs of individual sectors of the economy in Azerbaijan.

Directing investment into construction and improvement of roads is considered as a traditional approach in the development of the transport sector⁵, which needs to be changed if a sustainable transport sector is to be achieved. Nevertheless, this traditional approach has been the focus of ADB funding over the past decade, despite the fact that road transport is viewed as one of the chief and growing GHG-emitting sectors.

The transport sector in Azerbaijan does need investment; however, this should be directed at transport modes with low carbon emissions. In addition, there are numerous project ideas to embark on such as fuel diversification (e.g., setting up of biofuels plants, encouragement of other transport modes for passenger and freight hauls, transport demand management, and so on).

.....

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.....

• **Tracing Carbon Footprint**

As part of the present study, we also attempted to roughly estimate a carbon footprint of the highway project over its entire lifetime. There are a number of assumptions built into the carbon footprint (CF) estimate. First of all, vehicle activity data (average daily count) by vehicle categories come from Ganja–Yevlakh Highway which is almost operational and of similar capacity as the yet-to-be-completed Masalli-Astara Highway. These data tell us how much traffic is to be expected when the Masalli-Astara Highway Project is completed and enters the operational phase.

Secondly, due to the lack or inaccessibility of information about CO₂ emission factors of existing vehicle types in Azerbaijan, we considered the target emission factor to be achieved by EU Member States by 2012.⁶ In other words, our CF estimate is quite conservative as current CO₂ emissions per unit of distance traveled of vehicles in Azerbaijan are relatively higher than the used target factor.

Thirdly, CO₂ contribution of the construction phase is assumed to constitute less than 20% of the annual amount generated by the road operation. Finally, the overall life of the road project is assumed to constitute 50 years.

As per the 1st Azerbaijan National Communication to UNFCCC, CO₂ emissions from motor transport in the country in 1990 are estimated at 3668 000 tonnes of CO₂. This figure dropped to 3044 000 tonnes of CO₂ in 1994⁷. So, when compared to the 1994 total in-country CO₂ emissions, the Masalli-Astara Road project represents a small number, around 2.2%.

However, it should be noted that CF estimates for the road project are made under conditions of global economic and financial crisis. In future years, depending on the status of trade turnover between Russia and Iran and the economic growth in Azerbaijan, it is expected that the Masalli-Astara Highway will be intensively used and thus, its contribution to the total in-country GHG emissions will grow.

Conclusions and Recommendations

- CC is one of the greatest threats faced by the world, with the transport sector contributing around 1/5 of total worldwide GHG emissions.
- There is a close association between economic growth and transport demand.
- To achieve a drastic reduction in GHG, which are mostly CO₂ emissions from the transport sector, alternative policies need to be adopted with a special focus on transport demand management.
- CC poses various undesirable implications which will impact almost all sectors of the economy and will exacerbate health risks and bring economic losses.
- Although CC and its impacts are recognized by almost all multilateral development banks including ADB, these concerns/considerations are neither clearly articulated in the ADB-prepared Azerbaijan Country Strategy and Program of 2006, nor in the final draft EIS of the highway project.
- Moreover, despite the fact that road transport is increasingly contributing to GHG emissions, ADB has kept investing in the Azerbaijan transport sector, with more than 95% of the total transport sector-directed investment going to road/highway improvement and construction projects.
- Even though the carbon footprint of the highway project is minimal (around 2.2%) when compared to in-country road transport CO₂ emissions, it is expected that CO₂ contribution of the highway project will grow as trade links between Russia and Iran become stronger.

- The final draft EIS does not fully assess environmental impacts of the highway project, and most importantly, climate change concerns are not clearly addressed.
- Results of the round table meeting point out to the need for wider disclosure of project information such as EIS, final route designs, and other related information.

Recommendations

- The important role played by international organizations in adopting a democratic EIA process in Azerbaijan is underscored⁸ which means that similar changes can be brought about in the context of mainstreaming CC impacts in the country. Therefore, incorporation of CC considerations/concerns into the CSP of 2006 and revision of the priority sectors for ADB lending is highly recommended. This will help address CC impacts and build CC adaptation capacity in Azerbaijan.
- ADB should mainstream not only CC adaptation measures into its policies but also require the assessment of CC impacts of proposed development projects by national executing agencies.
- Further lending efforts in the transport sector should be directed towards transport

modes with lower or zero GHG emissions as well as cover such aspects as transport demand management, fuel diversification, and infrastructure for non-motorized transport means.

- ADB should do more to ensure that project-relevant information, including EIS, is available, timely, and accessible to all stakeholders in the Azerbaijani language.
- Finally, it is highly recommended that ADB ensure the accountability of national executing agencies through frequent field visits and meetings with affected people.

Mr. Irshad Abbasov and Mr. Elnur Ahmadov are working for the “Eco-Renaissance” Public Union NGO. Founded in 2004, the Eco-Renaissance was founded by a group of scientists from Ganja Regional Scientific Center and some intellectuals of Ganja city. The mission of the organization is to support the development of civil society in Azerbaijan by means of contributing to the solution of local as well as global environmental problems, promoting environmental education and raising awareness in the Western region of Azerbaijan. Mr. Abbasov is the director of Eco-renaissance. He has a doctorate degree in chemistry. Mr. Ahmadov has a masters degree in environment.

Endnotes:

- 1 Intergovernmental Panel on Climate Change (IPCC) (2007). Climate Change 2007: Mitigation of Climate Change, Fourth Assessment Report. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. http://www.ipcc.ch/publications_and_data/ar4/wg3/en/contents.html
- 2 Technical Assistance Republic of Azerbaijan: Preparing the Southern Road Corridor Improvement Project. Manila, Philippines. Asian Development Bank. <http://www.adb.org/Documents/TARs/AZE/39176-AZE-TAR.pdf>
- 3 Azerbaijan: Multitranches Financing Facility for the Road Network Development Program. Project Administration Memorandum. Asian Development Bank. 2007. <http://www.adb.org/Documents/PAMs/AZE/39176-AZE-PAM.pdf>
- 4 The approach of aligning its operations with the government development strategies is also explicitly stated in the ADB Fact Sheet for Azerbaijan.
- 5 Understanding and Responding to Climate Change in Developing Asia. Asian Development Bank. 2009. <http://www.adb.org/Documents/CSPs/AZE/2005/default.asp?p=ctryaze>
- 6 European Environment Agency and Office for Official Publications of the European Communities. 2008. Climate for a transport change. TERM 2007: Indicators tracking transport and environment in the European Union. Copenhagen, Denmark. http://www.eea.europa.eu/publications/eea_report_2008_1
- 7 Azerbaijan State Committee on Hydrometeorology. 2001. 1st National Communication to UNFCCC. Baku, Azerbaijan. <http://unfccc.int/resource/docs/natc/azenc1.pdf>
- 8 Safarav S. 2000. *Sovremennaya tendenziya izmeneniya temperaturi vozduxa I atmosfernix osadkov v Azerbajane* [Current trends in change of air temperature and atmospheric precipitation in Azerbaijan]. Elm, Baku, Azerbaijan.

RESEARCH STUDY

Visayas Base Load Project: As Usual*

By Aaron Pedrosa and Romil Hernandez

While the Asian Development Bank (ADB) joined global leaders to discuss the climate crisis in Copenhagen last December 2009, it approved the 200-megawatt coal power project in Naga, Cebu in the Philippines during the same period. Local-based groups criticized the Bank for double-talking.

The US\$120 million project, also known as the Visayas Base Load Project, aims to provide base load power to the Visayas grid. The coal project would be in addition to the two existing 110-megawatt coal-fired plants owned by the National Power Corporation (NPC) and operated by Korean Electric Power Corporation (KEPCO).

Unlike the two existing plants which are using pulverized coal technology, the new coal power plant will be utilizing the circulating fluidized bed combustion (CFBC), which is claimed as “clean coal” technology¹ by both the ADB and KEPCO. In a letter sent to ADB President Haruhiko Kuroda on 9 December 2009, local groups led by the Freedom from Debt Coalition (FDC) argued that CFBC technology only reduces sulfur oxide and nitrogen oxide emissions but not carbon dioxide, the latter being the leading contributor to climate change.²

Further, the local group said, CFBC plants produce about four times more coal combustion waste per megawatt of electricity than conventional coal burning plants. This makes the disposal of toxic coal ash a pressing concern when the power plants operate, the group claimed.

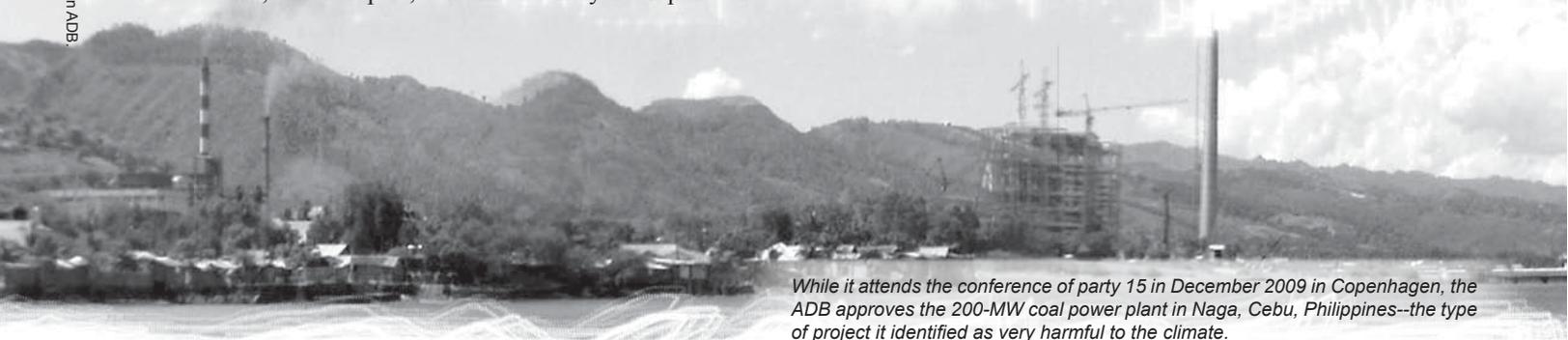
FDC, in the same letter, also questioned the ADB’s non-disclosure of important documents, i.e., EIA report, chemical analysis report and

recommendations by KEPCO consultants, in spite of a promise made by an ADB staff member in a meeting in Cebu in November 2009.

During a round table discussion (RTD) with a panel of experts,³ FDC Cebu noted that the mitigation plan failed to incorporate a targeted health program that would monitor health risks related to ash coal residues as a result of the operation of the coal plant. The group also pointed out that the Summary Environmental Impact Assessment (SEIA) was rather modest in its discussion of the possible impacts of the coal project on coastal and freshwater fisheries and ecosystems.

The Summary Environmental Impact Assessment (SEIA), released in March 2009, posits that the circulating fluidized-bed combustion (CFBC) technology—a “clean coal” technology with more 1,300 units operating worldwide. However, the 2005 Environmental Impact Assessment and the SEIA never mentioned about the coal power plants contribution to climate change. The project is considered most suitable among the alternatives assessed in these reports. The impact of climate change in the Philippines was not that important for this ADB-funded project. The reports are confined to power supply. Under the project’s anticipated environmental impacts and mitigation measures,

Photo by Romil Hernandez/Forum on ADB



While it attends the conference of party 15 in December 2009 in Copenhagen, the ADB approves the 200-MW coal power plant in Naga, Cebu, Philippines--the type of project it identified as very harmful to the climate.



Coal ash was indiscriminately dumped beside a river. Project proponents argue that the water stream is already dead which happens to flow directly to Cebu Strait.

mentions the amount of CO₂ generated by burning 729,500 metric ton (mt) per annum of Indonesian coal would be about 1,006,148 ton per annum. Although the emission is under World Bank's guidelines, it is adding the emissions to other coal-powered plants in countries.”

Based on the result of the RTD, the project is not a long-term solution to the problems confronting the grid. According to FDC, although “additional generation plants may seem to remedy the power needs of the grid, the unhampered establishment of power plants in the Visayas will eventually result in overcapacity even with the current average peak demand of 1200 MW.”²⁴

Dr. Glen Martin Green, professor at the University of San Carlos, also said that coal technology is cheaper because costs are externalized. Likewise, since the supply of coal is finite and is already dwindling due to worldwide consumption, he argued that “supply would have peaked by 2030, resulting in a supply waning into low-grade coal.” Such an arrangement will be very costly in the long run compared to the adoption of renewable energy such as wind, solar and hydro.

Atty. Ben Cabrido, law professor at the University of San Jose Recoletos, further added that 90% of the coal will be sourced from Indonesia. He alleged that due to the Electric Power Industry Reform Act (EPIRA, Republic Act 9136), profit for KEPCO is guaranteed since the Philippine government shall subsidize the cost of coal supply should it be cut for any given reason.

This presents a lose-lose situation for the country. On the one hand, the government is providing sovereign guarantee to KEPCO; on the other, the country's economy is becoming more vulnerable due to its dependence on coal, which already has a downward trend.

The plant will utilize a once-through seawater cooling system. This will involve sucking in seawater at a temperature of 28°C. Mr. Vic Obando, former NPC engineer, explained, “processed water will be discharged to the sea at a higher temperature between 45°C-60°C.” Said variance in temperature will make the coastal ecosystem vulnerable and may



All dried up. Residents claim this tree died exactly a month after coal ash has been dumped in the area.

lead to the decimation of marine life, Obando added. Local residents claimed that marine life has dwindled over the years since the operation of the plants. They fear that the condition will further aggravate once another coal plant begins operating.

The system will generate bed ash, air preheater hopper, and electrostatic precipitator (EP) hoppers, commonly known as fly ash. As part of the project design, 60% of the coal ash will be sold to cement companies while the remaining 40% will be considered waste. Cabrido calculated that the power will produce 52.4 tons of coal ash per hour; therefore the proposed ash pond for disposal will be easily filled up by a three-hour operation's worth of coal ash. In addition, the 25-hectare dumpsite was discovered to be a significant timberland area which is submerged.

FDC said the project's social acceptability cannot be properly gauged by both KEPCO and the ADB due to the lack of consultation. Residents whom they have interviewed were not aware about the conduct of the environmental impact assessment. One resident disclosed that she was not invited to any consultation about the coal project. Another resident admitted not knowing the possible harmful effects of the coal power plant to her community.

Likewise, skin and respiratory illness have proliferated since the power plants started operating

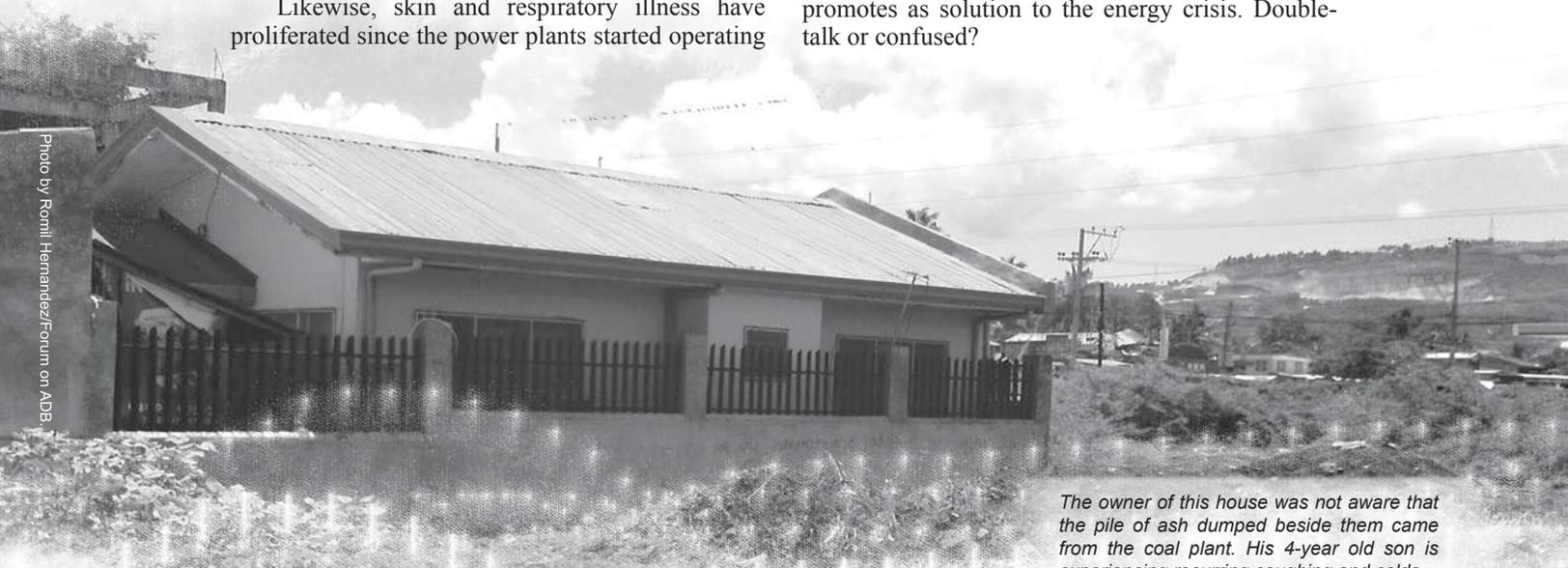


Photo by Romil Hernandez/Forum on ADB.

No longer potable. Existing since the 1960s and used by around 50 households, water from this system is no longer potable as it contains black particles. Residents claim they experience skin allergy when they source water from this deep well a month after coal ash was dump in their community which forced them from constructing another deep well far from this one.

in Naga, according to one medical doctor in the city. The construction of another coal plant may only make things worse.

Coal. Cheaper compared to renewables but with huge externality costs in the long run. This is the kind of project the ADB has identified as harmful to the climate, and yet is also the same kind the Bank promotes as solution to the energy crisis. Double-talk or confused?



The owner of this house was not aware that the pile of ash dumped beside them came from the coal plant. His 4-year old son is experiencing recurring coughing and colds.

Endnotes:

- * Highlights of the study "Financing Naga's Coal-Fired Power Plants," undertaken by Freedom from Debt Coalition-Cebu.
- 1 In 2008, during the Asian Development Bank's 3rd Asian Clean Energy Forum, ADB Vice President Bindu Lohani said, "Let us stop naming things 'clean coal' or 'cleaner coal' and just call it what it really is—more efficient coal."
- 2 You may read the letter by following this link: <http://forum-adb.org/docs/naga-letter-12909.pdf>
- 3 FDC-Cebu sponsored a round table discussion on 29 March 2010 which was attended by Atty. Michael Enriquez (FDC-Cebu president), Atty Ben Cabrido (law professor at the University of San Jose Recoletos College of Law), Engr. Vic Obando (former NPC engineer), Engr. Perfecto Padilla (civil engineer), Prof. Glen Martin Green (Department of Biology, USC), Prof. Elma Villahermosa (College of Social Sciences, Cebu Normal University) and Cheryl Bevin Lee Tan (economics major, Ateneo de Manila University)
- 4 Power Crisis Means EPIRA Failed, 11 March 2010, FDC Cebu Statement.

Rising Temperatures

By Renato Redentor Constantino

Perhaps the future is from yesterday. It was 38 degrees Celsius on Wednesday in Metro Manila. In other parts of the country, the heat hit 39.1. Sporadic showers have come but they say it will be a week more or less before the clouds fully gather.

Scorched may just be the global mode for some time, unless people who think themselves higher on the food chain by virtue of their wealth and power turn things around. And so it goes.

Vinashkale biparit budhi -- here's an Indian proverb that is apt for our seared condition. Proceeding towards danger, we bring contrary wisdom which heightens the state of menace, and no one can save us.

A week ago, the World Bank approved financing packages "totaling \$258.64 million," largely "to support the Philippines' reconstruction in areas hit by two storms..." which the World Bank described as 'a quick disbursing loan' to enable the government to speed up reconstruction in areas hit by storms Ondoy and Pepeng late last year.

It's a loan shark's racket.

Thugs arrive to burn down a community and later, sifting through the ashes, they offer loans to help the victims rebuild their lives.

Who are the largest country shareholders of the World Bank?

Countries such as the US, Canada, Australia and Japan, who also happen to be some of the world's most notorious climate polluters.

In April, the Bank approved a loan to Eskom, South Africa's energy utility, worth \$3.75 billion. Around \$3.45 billion will go to finance Eskom's

Medupi power station, one of the world's largest coal-fired power plants, which is described as "clean" and "climate-friendly" by the Bank.

Analysts estimate the Medupi plant will produce around 30 million tons of carbon dioxide each year, adding significantly to potentially irreversible harm to the planet's climatic system.

World Bank lending for renewable energy "is still dwarfed by its fossil fuel investments," said the Bretton Woods Project, a group monitoring operations of international financial institutions.

The Bank helps sear the earth, raising temperatures that fuel more severe and frequent storms, then grabs the tragedy it has created as an opportunity to push more loans.

What do you say in the face of such naked profiteering?

And what do you tell the Philippine government which has consistently pursued some of the most progressive positions in the UN-organized international climate treaty negotiations?

Abroad, it continues to correctly push polluter countries to pay and channel immediate financing for global warming impacts -- not through loans but as compensation. Domestically, the Philippine government calls for the construction of more coal-fueled power stations while it borrows money to pay for damage wrought by warming-induced extreme

weather events -- money that should come in as reparations from institutions and countries it knows are responsible for the climate crisis to begin with.

This needs to change, and soon.

Developing countries such as the Philippines must take urgent steps to directly mobilize domestic resources to ensure that it is no longer dependent on finance from abroad that often comes with conditions that are ultimately disadvantageous to working class communities. It must also begin to access untied finance from sources such as the Adaptation Fund, a non-donor-driven institution under the UN with funding modalities that, unlike other financial agencies, allow developing countries to avoid having to go through inefficient, bureaucratic and conditionality-heavy multilateral financing from institutions such as the World Bank and regional agencies such as the Asian Development Bank.

The failure of Copenhagen to deliver a fair, ambitious and binding deal on urgent mitigation and financing issues, and the threat of another dismal, if not collapse, international climate talk has left

developing countries like the Philippines with little choice but to take local action.

The climate crisis must be faced squarely, not via a handful of decision-makers but through a coordinated effort that mobilizes social movements and national and local leadership, serving as sources of pressure that will compel more far-sighted government interventions which serve the interests of impoverished communities and which further development ambitions driven by the principles of justice, equity and genuinely sustainable development.

Renato Redentor Constantino is the former executive director of the NGO Forum on ADB. Constantino is the author of *The Poverty of Memory: Essays on History and Empire* (CFNS, 2006). He currently heads the Institute for Climate and Sustainable Cities, which works for sustainable energy solutions and fair climate policy. He can be reached through his blog site <http://redconstantino.blogspot.com>

Whose responsibility... *(cont'd. from inside front cover.)*

The major investment has gone to the energy sector (32 loans) out of the total 202 loans amounting to \$10.89 billion. The transport sector followed the energy sector in terms of investment amount. However, while approximately 60 or more loans have been used for agriculture, natural resources and river and flood management, these projects did not look into the climate risks or vulnerability. Even with other development partners, the ADB has been guiding the development plan of Bangladesh, with the energy sector receiving the biggest investment. The Phulbari case is not a distant memory. Quite often it has been criticized for its climate hypocrisy when it comes to support for mega to ultra mega coal power investment. Will the Meghnaghat Power Project truly address the climate concerns of the country?

As we screen the portfolio investment of the Bank, we conclude that it has strongly failed not only in Bangladesh but in other borrowing countries as well with respect to climate change responses. Are the Country Partnership Strategies (CPSs) or sectoral investment programs of ADB for each of its borrowing countries using the low-carbon economic model?

Its statement that 'countries in the Asia and Pacific must start planning for climate change risks' without the corresponding commitment and vigilance to pursue a climate-resilient path, the ADB will not reach its target unless the Bank's prescribed models on investments are overhauled now. Maybe the bank can take a serious look at

Pakistan's devastating flood and at its CPS in Pakistan?

Since the Bank's overall portfolio investment has not been anchored on a low-carbon growth model, to speak of risks within governments to perform on climate change is ineffectual. There should be efforts to mainstream climate change in the national, sectoral and spatial development planning, and to ensure that impacts on vulnerable communities are prioritized while engaging in three- to four-year business operations with clients.

Although the Bank in 2008 has started to focus on climate change strategy through four central themes: i.e., adaptation, sector resilience, climate-proofing and vulnerable groups, the ADB has neither the control nor the seriousness to make an effort when it comes to lending projects for such projects. Development financing by banks like ADB has never taken the responsibility of openly acknowledging if the investments are climate-proof or if these reduce the carbon footprint. Be it in the water sector or agriculture or transport sector, projects should be screened within the mainstreaming climate framework before inking in strategy papers with government.

Whose responsibility is it to take the task of addressing climate change seriously? Is it that of the borrowing government or of the development partner (i.e., ADB) who advises and helps in the development?

SALINE WATER INTRUSION AT VIETNAM'S MEKONG DELTA: An Issue that Has Become More Serious by the Day

By Ly Quoc Dang

Mekong Delta is the biggest delta in Vietnam with more than 17 million people (2006), representing around 21% of the country's population, and occupying nearly 4 million hectares. With a density of 429 people per square kilometer, this area is a very important agriculture and aquaculture site for Vietnam where 50 percent of Vietnam's food is produced. With its big rice fields; silt-rich land for orchards, plants, vegetables and flowers; freshwater bodies such as rivers and ponds, and an environment suitable for raising shrimps, the Mekong Delta plays a very important role for farmers who depend on this area. This not only provides food for Vietnam, it is a source of rice, fruits, fish and shrimps for export as well. Mekong Delta feeds millions of people in Vietnam, and it is very important to farmers in that area and to Vietnam as a whole.

Saline water intrusion is one of the biggest problems in Mekong Delta, especially during the dry season. Year after year, salt water reaches deeper and deeper into the inland, seriously wreaking damage to the rice field, orchards, and farmlands. It is especially detrimental to the villagers who live along the coastal area because it depletes their supply of fresh water.



The village woman in this photo said: "This year (2010), saline water intrusion occurred earlier than last year and, as a result, the rice field has been dying. This has translated into lost income for the villagers."

In this photo, one can see an uncontaminated freshwater body on the left side while the area on the right side is where saline water intrusion has occurred.



Comparing the green field on the left side with the situation on the right side provides a clue on why the villagers were losing income.

This photo clearly shows the situation of saline water intrusion at Mekong Delta. One can see the barrier between the right and left sides.



Around 1.5 meters high, this gate prevented the saline water intrusion from spreading to the inland so that the villagers can continue to grow rice and crop in the dry season. Imagine if the saline water intrusion reaches the inland, how much more income would the villagers lose?

What can we do for the next generations? If we continue to do the same things we are doing right now, what will happen to the planet? How will Mekong Delta turn out in the next ten years? The lack of fresh water in Mekong Delta might lead to a drought in the Mekong River as the upstream river would keep the water and change its flow. Between climate change and the dams along Mekong River, which one poses a more serious threat to Mekong Delta? According to Intergovernmental Panel on Climate Change, the Mekong Delta is one of top three areas hardest hit by climate change even as it is threatened by the many dams in the Mekong River upstream.

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A highly urbanized city, Puerto Princesa in Palawan Philippines is famed for its biodiversity conservation.



Photo by Laila Carrillo



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