

ASIA CLIMATE CHANGE CONSORTIUM (ACCC)¹ submission regarding the Strategy 2030 Consultation Draft of the Asian Development Bank (ADB)

According to the Asia Strategy 2030 Consultation Draft of the ADB, Asia would significantly contribute to the GhG emissions in the decades to come.² As such, Asia must start the process of ensuring that their development pathway would be sustainable to ensure that future emissions would be minimized or avoided. This, however, should be countenanced within the development needs of the Asian people, majority of which are highly vulnerable.

It is reported that the Asian continent is the most vulnerable region in the world to the impacts of climate change. Given its diverse geographic, climatic, and demographic profile, the frequency and/or intensity of these impacts will vary between and within nations. However, common projected trends across the continent emerge based on future simulations using Representative Concentration Pathway (RCP) scenarios. They show increase temperatures over land and the surrounding oceanic regions at 2.4°C (at RCP4.5) and 4.3°C (at RCP8.5)³ by 2100. Historically wet and dry regions will become wetter and drier, respectively. Consequently, 6 of the 10 countries in the world at highest risk to the impacts of climate change are located in Asia as of 2015.⁴

The draft document also states that Asia is at risk to climate change.⁵ This is true. However, its risks are not simply due to its exposure to climate and disaster-related hazards. They are also due to its vulnerability as Asia has 326 million people still living in a state of extreme poverty and inequality; and this number is rising.⁶

In the crafting of operational priorities, addressing poverty and inequality, accelerating gender equality, making cities more liveable, promoting rural development and security, strengthening governance and institutional capacity must be done in relation to climate and disaster risk and resilience action. There is urgency for immediate actions to reduce vulnerabilities in communities at risk to near-term hazards and pave the way for incremental and transformational adaptation in Asia.

As ADB increases its investments in climate resilience, attention must go to enhance coping capacities to address risks from current and near-term hazards in order to avoid loss and damage, as well as strengthen adaptive capacities for mid-term and future climate-related hazards. Transitioning to renewable and sustainable systems and options that drive transformative actions, without threatening the capacities of peoples and ecosystems for resilience and sustainable development, is imperative.

Therefore, in Tackling Climate Change, Building Climate and Disaster Resilience, and Enhancing Environmental Sustainability, we urge the ADB to:

- **Urgently Contribute to Greater Ambition.** ADB must ensure that all new investments are geared towards the urgent need to meet climate and development targets set by the global community such as the 1.5-degree Celsius limit of the Paris Agreement, the Sustainable Development Goals (SDGs) and the Sendai Framework for Disaster Risk Reduction (SFDRR). The financing sector cannot be business as usual and must be part of the solution by addressing the immediate needs to mitigate historical and current emissions, increase coping

and adaptive capacities to make communities resilient. Investments must contribute to Parties' nationally determined contributions (NDCs) and ensure reduction and removal historical and current GHG emissions --- and not just current emissions alone.

- **Prioritize Transformational Projects with Co-Benefits.** Financing of false solutions must stop because it creates an excuse to use more fossil fuels and contribute to GhG emissions, all of which may lead to maladaptation. False solutions such as high efficiency low emission (HELE) coal, “clean coal”, large hydro dams, carbon capture and storage (CCS), geo-engineering, and natural gas are unacceptable. These projects do not facilitate the societal transition from unsustainable practices towards a transformation to a fossil-free and more resilient future. Therefore, project selection for financing must have a clear and conscious bias towards sustainable development investments that have co-benefits for both mitigation and adaptation, and does not compromise the adaptive and coping capacities of the most vulnerable.
- **Guarantee Environmental and Social Safeguards.** Projects have widespread impacts on populations and ecosystems therefore ADB must set stringent E&S standards, conduct climate and disaster risk assessments, ex-ante impact analysis and strategic environmental assessments (SEA). All project financing must adopt a rights-based and gender-sensitive approach, and the transition to clean energy must incorporate climate justice principles. These are necessary to avoid and mitigate project impacts and negative externalities on environment and society such as degradation of flora and fauna, water scarcity, displacement, loss of livelihoods and others.
- **Align ADB Value Chains to the Global Climate Financing Safeguards.** ADB must own its responsibility to the climate financing value chain, including relationships with financial intermediaries, and its stakeholders that guarantee transparency and accountability in relation to environmental and social safeguards, and international agreements. Multi-sectoral consultations should be conducted to attain free, prior and informed consent (FPIC) for project financing. Banks must also follow the full disclosure principles, be open to grievances and commission third parties to verify compliance.

Footnote:

¹ www.asiaclimateconsortium.org

² See p. 5, item 12.

³ See IPCC, 2013: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Stocker, T.F., D. Qin, G.-K. Plattner, M. Tignor, S.K. Allen, J. Boschung, A. Nauels, Y. Xia, V. Bex and P.M. Midgley (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, 1535 pp, doi:10.1017/CBO9781107415324.

⁴ See Eckstein D, V Künzel and L Schäfer, 2018: Global Climate Risk Index 2018: Who Suffers Most From Extreme Weather Events? Weather-related Loss Events in 2016 and 1997 to 2016. GermanWatch Briefing Paper.

⁵ See p. 4, item 10.

⁶ See p. 3 items 7 and 8.