**Civil Society Groups Dismiss Asian Infrastructure Investment Bank’s Online Consultations As Neither Meaningful Nor Inclusive**

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Civil society groups from across Asia, Europe and Latin America are staging the first ever virtual walk out during a session about the future direction of the Asian Infrastructure Investment Bank’s (AIIB) energy sector financing. The AIIB is currently in the process of updating its 2018 Energy Sector Strategy, and has invited public comment on a proposed draft between April 8th and June 3rd. However, today’s one hour online session together with a similar session scheduled for one hour tomorrow, are the only time slots the Bank has opened for groups from around the world to directly raise questions and concerns to staff over the course of the eight week consultation period, leaving no time for meaningful engagement and discussion.

Tanya Roberts-Davis, Energy Policy and Campaigns Strategist from the NGO Forum on ADB explained: “*It is absolutely imperative that the AIIB, an international financial institution bankrolling large-scale infrastructure projects that have significant impacts on people, economies and the environment across the entire range of borrowing member countries, engage in a transparent, inclusive, publicly accountable process for updating their strategic framework guiding future energy investments. Indeed, by the Bank’s own calculations, energy accounts for nearly one third of its project financing. Yet, only now – after repeated calls from civil society groups to the Bank’s management – and a mere two weeks before the end of the period of public input, are we being ‘invited’ to one hour time slots for submitting brief comments on the draft update of the Energy Sector Strategy. We refuse to consider such a restrictive platform as a space for genuine, meaningful, inclusive discussions, dialogue and debate*.”

The group of organizations from diverse social sectors made the decision to join the AIIB’s consultation session scheduled today in order to read out a collective statement of denunciation, before staging the online walk out, while others will convey a similar message by boycotting the process entirely.

As Vidya Dinker from the Indian Social Action Forum affirmed: “*We are tempted to be as dismissive of the AIIB’s process as the Bank has been of any principles of meaningful consultation or due diligence. However, our commitments to advancing the concerns of affected communities and to keep AIIB accountable mean we shall be there today to clearly say yet again what we have said before to the Bank - to call them out and state that these token ‘consultations’ cannot be used to legitimize what has been an extremely listless and disrespectful process. Any updated Energy Sector Strategy that AIIB adopts without due course correction will be unacceptable and at variance with their stated obligations*.”

Maia Seeger from Sustentarse in Chile further explained: “*The AIIB is just beginning to finance energy projects in Latin America. Over the years, our countries in this region have been affected by the development of mega-energy infrastructure carried out without proper consultation, with huge impacts on Indigenous Peoples, communities and the environment. We are therefore highly concerned about the resources the AIIB will be allocating to expand mega-energy projects in the region, for instance, if it will include resource-intensive green hydrogen plants in Chile. In light of the malpractices we have seen regarding AIIB consultation processes to date, we can only expect the investments will lead to increasing socio- environmental conflicts in the future*.”

Nora Sausmikat from Urgewald, based in Germany, asserted: “*As a triple A rating multilateral bank devoted to financing the ‘infrastructure of tomorrow” shareholders and the management should not stick to outdated crisis evoking technologies. It is time to listen to science and the people, as requested during the last six years. The updating of the Energy Sector Strategy needs to take into account the voices of the people – now – and in a meaningful manner!*”

Mayang Azurin from the Global Alliance for Incinerator Alternatives-Asia Pacific elaborated further: “*We urge the AIIB to resolve the flagrant inconsistencies in investment practices in its current support to Waste-to-Energy (WTE) projects. It’s time for the AIIB to rule out direct and indirect support for this toxic and carbon-intensive technology either as a form of power generation or waste management, and clearly exclude it from eligibility for financing under the updated Energy Sector Strategy. In line with this positioning, we urge the Board to reconsider any further support for currently financed WTE projects in the Maldives and Turkey. In addition, the AIIB must avoid becoming further entangled in future investments in the sector by immediately withdrawing the proposed financing for WTE projects through financial intermediary on-lending to China Everbright Limited. Let’s be clear, such support undermines not only national ambitions to pursue a low-carbon energy trajectory but also international commitments to ban the production of the very pollutants that Waste-to-Energy projects emit, contaminating the air, soil and water our survival depends upon*.”

For the think-tank Center for Energy, Ecology, and Development (CEED) in the Philippines, genuine consultation with stakeholders and experts should guide AIIB to climate-aligned financing directions that hold no preference for fossil fuels. Gerry Arances of CEED further emphasized that: "*In its proposed 2022 Energy Sector Strategy, AIIB peddles the myth of fossil gas and LNG's supposed role as a transition fuel for Asia, and even as a contributor to energy security. But massive gas expansion brings a methane boom that will cause us to miss our climate goals, and will trigger more costly electricity prices even as they are already at an all-time-high. AIIB cannot boast of being ‘lean, clean, and green’ if it cannot even take a firm policy to divest from fossil gas and focus on renewable energy. More so, AIIB must address the glaring gaps in its policy implementation which lead to investments that directly contradict its own commitments to the Paris Agreement*."

Echoing this sentiment, Kate Geary from Recourse (UK/Netherlands) concluded: “*At a time when the AIIB has committed to align its investments with the Paris Agreement on Climate Change, it is vital that the bank gets its energy investments right. This means moving out of fossil fuels and into supporting sustainable renewable energy, to improve energy access across Asia, especially for poor communities. A true consultation would open space for those most affected by climate change to share their concerns and propose alternatives - instead AIIB has chosen to effectively close the door on their engagement.*"

Background Information:

Open letters jointly signed by civil society organizations across Asia, Europe and Latin America have raised questions and concerns about the AIIB’s process for updating its Energy Sector Strategy have been submitted on several occasions since January 2022. A sample of these letters can be read here: <https://www.forum-adb.org/aiibcommunications> These letters have called for the AIIB to:

1. Post translated draft texts of the proposed Energy Sector Strategy Update in major languages of regional and non-regional members;
2. Schedule online interactive discussion sessions held in different time zones and languages
3. Engage in focussed discussions with civil society groups on specific types of project related concerns (such as on financing for hydropower dams or gas power projects) as well in country-specific contexts where AIIB energy sector investments have been most concentrated to date;
4. Accepting written input in major languages of member countries; and
5. Proactively responding to the range of concerns about the risk of reprisals experienced by outspoken community members in project affected areas.

The full statement of denunciation made by civil society groups to the AIIB during the May 19th Session can be read here: :

<https://www.forum-adb.org/post/collective-statement-for-the-energy-sector-strategy-update>

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