Recommendations on the ADB Energy Policy Review (August 8, 2025)

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Recommendations	Rationales
1. In accordance with page 14 of OM Section L3, Consultation Draft, Working Paper, and R-Paper should be disclosed at appropriate stages and meaningful public consultations should be held, as those are done in the usual policy revision process.	● The ADB has skipped the usual policy revision process by treating this as an amendment. However, Proposal V in the Brief Note, which involves the removal of the prohibition on nuclear energy support, represents a significant “revision” of the policy and goes beyond the scope of an amendment. ● If ADB would like to keep the process as an amendment process, the Proposal V should be deleted.
2. Sustainably sourced biofuels, which are included as eligible for co-firing support under Proposal III, should be excluded.	● The definition of “sustainably sourced” is unclear. ● Biomass power generation has led to serious biodiversity loss, including the development of primary forests and peatlands through deforestation. - Case in Indonesia: Gorontalo province, which is a stopover site for at least 49 migratory bird species, has transformed into a hub of deforestation for wood pellets. From January to August of 2024, two palm oil companies, PT Banyan Tumbuh Lestari (BTL) and PT Inti Global Laksana (IGL), cleared 1,032 hectares there for wood pellet production. More than 27 thousand hectares are threatened within the haul zone; 96% (26,707 hectares) are intact forest. These two companies clear highly biodiverse forest areas and they replace them with monocultures of gliricidia trees (Gliricidia sepium). Reference: https://assets.takeshape.io/17e2848c-4275-4761-9bf5-62611d9650ae/dev/303ff06e-8d16-4278-a6ed-c9bdfd7860cf/Bioenergy%20Threats%20Report%202024%20-%20English%20PDF%20compressed.pdf p.20 - Case in Canada: Drax Group (Drax), which is a British company of biomass power generation and runs Britain's

	biggest power station, burns millions of tonnes of wood pellets imported from British Columbia, Canada. It is reported that some of the wood comes from primary forests there. The company bought logging licences to cut down two areas of environmentally-important forest in British Columbia. One of the Drax forests is a square mile, including large areas that have been identified as rare, old-growth forest. Reference: https://www.bbc.com/news/science-environment-63089348 ● While it is seemingly classified as a clean fuel on the assumption of forest regeneration, such an approach leaves no room for meeting the targets of the Paris Agreement as it takes decades for a forest to recover its carbon absorb capacity to pre-deforestation levels.The payback time for the carbon debt ranges from 44 to 104 years after clearcut depending on forest type, with the premise that the land remains forest. Another paper says that converting tropical forests and peatlands into biofuel generates a massive carbon debt, which can take decades to hundreds years to pay back. For example, converting lowland tropical forests in Indonesia and Malaysia into oil palm plantations is estimated to require about 86 years to recover the carbon debt. In the case of tropical peatlands, the payback period ranges from approximately 420 to as much as 840 years, while conversion of tropical forests in the Amazon is estimated to require around 320 years. Reference: https://iopscience.iop.org/article/10.1088/1748-9326/aaa512/pdf p.1 https://www.science.org/cms/asset/2dac347d-50fa-4876-af4b-c82cff071319/pap.pdf p.2
3. Energy Policy should maintain the prohibition on financing for nuclear power projects.	● Analysing nuclear power options in the context of power master planning is significantly different from supporting specific projects through feasibility studies, detailed engineering, or main construction. As such, the prohibition should not be uniformly lifted.