

PAST AND CURRENT ADB AND AIIB COMPLICITY IN FOSSIL GAS BUILD-OUT IN THAILAND (2009-2022)

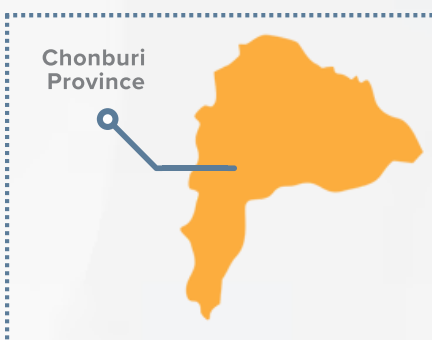
The Asian Infrastructure Investment Bank (AIIB) has not approved financing for any gas projects in Thailand. Although in late 2021, the Bank initially considered supporting the development of the 1400MW Hin Kong Gas Power Project, it was later withdrawn following intense public outcry.

However, the Asian Development Bank (ADB) has played a significant role in locking the country into a high carbon-emitting power system and slowing the pace of the country's shift towards renewable energy, supporting financing for the country's largest fossil gas power projects – a 2.5GW combined cycle gas turbine project in Chonburi – along with other large-scale fossil gas projects since 2009. ADB has also invested equity in power companies specifically allocated to enable the build-out of gas power stations.



Chonburi Natural Gas Power Project

LOCATION



LOAN AMOUNT



Loan of USD228 million approved by the ADB in 2018 to a joint consortium between Thailand's Gulf Energy Development PCL and Japan's Mitsui & Co. to build and operate a 2.5GW combined cycle gas power plant.

STATUS Operating

IMPACT OF THE PROJECT



Explicitly intended to enable and hasten the expansion of the Eastern Economic Corridor Special Economic Zone, making it difficult for local people to raise questions/concerns without risk of reprisal (due to high level vested interests).



Recognized by ADB as having highly risky environmental implications.



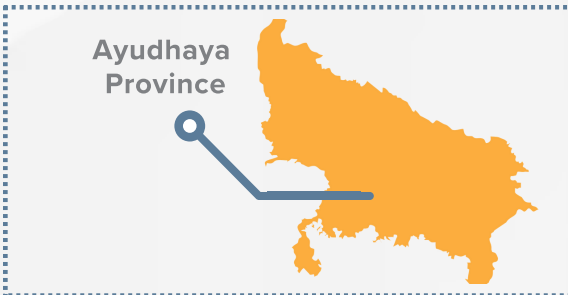
Associated facilities have required land acquisition from local farming communities.

The report written for the initial approval of this project by the ADB's Board of Directors is heavily redacted, leaving little information disclosed about the considerable risks to the local environment and community health or any commitments to address such issues.



Ayudhaya Natural Gas Power Project

LOCATION



LOAN AMOUNT

Loan of USD185 million to Gulf JP UT Company (a subsidiary of Gulf Energy), approved in 2012 to build and operate a 1.7GW gas power project.

STATUS Operating



IMPACT OF THE PROJECT



Associated facilities of pipelines have damaged land and water sources for surrounding households and are reported to have contaminated the surrounding area with bentonite.



Grievances were filed against the company to receive redress, including in court.

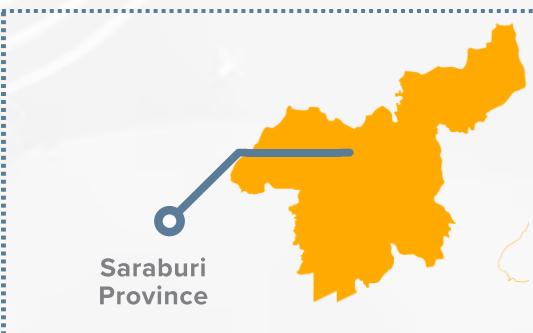


Due to low offtake of power, according to an ADB project evaluation: “Low dispatch rates over the long-term raises concerns about project sustainability and heightens the risk of tariff renegotiation.”



Nong Saeng Natural Gas Power Project

LOCATION



LOAN AMOUNT

A loan worth USD 170 million to Gulf JP Company (a subsidiary of Gulf Energy) was approved by the ADB in 2011 for the development of a 1,649.6 MW combined cycle gas power project (2 units, each 824.8 MW).



IMPACT OF THE PROJECT



The gas power project has had lower-than-expected output due to low offtake purchases from the Electricity Generating Authority of Thailand (national utility company).



Grievances from surrounding communities have arisen due to impacts of the project's operations on their health and the surrounding environment. However, given the vested interests involved in the project, raising concerns and questions remains highly risky.