

DOES ASIAN DEVELOPMENT BANK PLAY FOUL WITH FOSSILS IN PAKISTAN?

In early November 2021, the Asian Development Bank (ADB) announced it would provide a technical assistance grant for scoping studies on deploying an Energy Transition Mechanism (ETM) scheme in Pakistan to support the decommissioning of 'high carbon power plants.' Yet the ADB still continues to provide loans and financing packages to build out fossil fuel-dependent infrastructure in the country.



Daharki Power Project

LOCATION



Sindh Province

LOAN AMOUNT

In 2007, ADB approved an equity investment in Daharki Power Holdings Limited (DPHL) of up to USD2.75 million, and a guarantee in the principal amount of up to USD44 million plus interest for the lenders to DPHL for the planning and construction of the 186MW Dharaki Gas Fired Project.

STATUS Operating



IMPACT OF THE PROJECT

Despite the ADB's extended annual review of the project in 2013 rating the project as satisfactory in terms of environmental, social, health, and safety issues, local people have reported:



A surge in air pollution-borne diseases surrounding the project location as well as nearby regions of Sindh.



Water supply shortages due to the high consumption requirements of this project, wastewater/sewage contamination, and land usage due to infrastructure development associated with the project.



Adverse impacts for those who depend on growing sugar cane and other crops for income due to extensive water usage by the power project and the consequential lowering of the groundwater table.



Jamshoro Power Generation Project

LOCATION



Sindh Province

LOAN AMOUNT

A loan of USD 900 million was approved in 2014 by the ADB to finance the development of a 660 MW supercritical coal power-fired unit, provide operation and maintenance support, install emission control devices for the existing units and support remediation plans, provide management training for project proponent personnel, and support a local education program on coal-fired plant operation.

The project is also intended to support the Government of Pakistan in planning an additional 600-MW unit at the same site.

FAST FACTS



The site is expected to rely on a mix of local reserves of lignite and imported sub-bituminous coal for power generation, both of which place an onerous burden on the environment, human health, and the national economy.

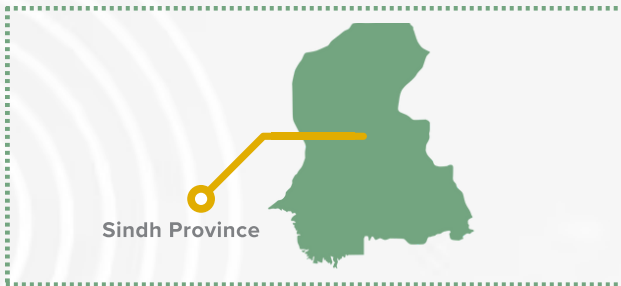


The additional units can be expected to compound the toxic emissions, ash, and effluent (leading to further contamination of the air, surrounding land, and waterways), create an accumulation of hazardous waste (from the ash), exacerbate the chronic respiratory illnesses faced by local people, and lock-in further dependency on the coal sector, rather than supporting its phase out.



Engro LNG Regasification Project

LOCATION



LOAN AMOUNT

A project loan of USD30 million was approved by the ADB in 2015 to Engro Elengy Terminal Private Limited (EETPL) to finance the construction and operation of the Engro liquefied natural gas (LNG) import terminal.

Despite the ADB's extended annual review of the project in 2019 claiming it "demonstrated environmental sustainability" and has a satisfactory performance record in relation to environmental, health and safety standards:



ADB fails to consider the reality that methane gas emissions are 80% more potent as a GHG than CO₂ and is considered to have significantly damaging impacts on the ozone layer.



Residents in the nearby villages of Rehri and Lath Basti have reported that fish catches have dropped drastically since the project was built.



LNG waste materials (known as 'sludge') are reportedly transported and dumped inside sensitive mangrove forests by Engro staff.



Roads and trails once accessible to local people are now blocked due to the land acquisition by the Engro.



Private security forces hired by Engro reportedly threaten and harass local community members.