

**U.S. Position on the Asian Development Bank (ADB) Energy Policy  
Supporting Low-Carbon Transition in Asia and the Pacific**

*October 20, 2021*

The United States wishes to be recorded as abstaining on the ADB Energy Policy.

The proposed new energy policy has the potential to have a profound effect not just on the region, but on the globe. This policy promotes energy access, yes, but just as importantly it addresses the climate crisis and contributions from the burning of fossil fuels. As the recent Independent Evaluation report on ADB Support for Action on Climate Change noted, greenhouse gas emissions in Asia continue to rise at an exponential rate. Given that emissions produced by fossil fuels are a major contributor to climate change, the report noted the Paris Agreement's goals will not be met without Asia transitioning toward a low- carbon development pathway.

The proposed energy policy, to its credit, contains many elements that support such a transition. This includes, of course, a commitment not to finance any new coal-fired power or heating plants and an emphasis on financing renewable energy solutions and technological innovations. The policy also highlights the importance of an equitable and inclusive transition, good governance, and an investment climate that welcomes private financing for sustainable energy.

Yet, in the United States' view, the policy does not go far enough. While the United States appreciates Management's efforts to find a broad compromise, the United States cannot support an energy policy that allows the ADB to continue to finance fossil fuel projects – in this case, midstream and downstream natural gas – in middle- income and upper middle-income countries. This is inconsistent with the United States' MDB fossil fuel guidance that was developed in response to President Biden's *Executive Order on Tackling the Climate Crisis at Home and Abroad*. It also conflicts with the importance of ambitious climate action by all countries to achieve the goals of the Paris Agreement.

While not part of the energy policy itself, the United States also notes strong concern over the specific language in the R-paper, that takes out of context, mischaracterizes, and singles out certain language from the Paris Agreement. The United States underscores that this language should not be understood as a reflection of the views of the shareholders and should not be used in future documents.