

GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities

Intervention on

FP225: E-Mobility ProgramAccess the document: <https://www.greenclimate.fund/document/gcf-b38-02-add05>

Despite extensive responses to technical questions posed in the lead-up to this board meeting on this large-scale e-mobility program in seven countries, we still have a number of concerns regarding this program. These include the potential issues on the supply chain and life cycle of batteries, lack of country-specific needs and priority assessments, accessibility and affordability for bus users, exclusion of transport and drivers unions in stakeholder consultations, and an inadequate and outdated gender action plan.

In terms of the battery supply chain and life cycle, the ADB, in its responses to technical questions, referred to potential future activities on the usage of rapid, evolving technologies for reusing and recycling batteries to be supported by the programme's technical assistance component. However, the proposal neglects the environmental and social risks and the potential increase of carbon emissions from the whole life cycle of electric vehicles, including electricity generation, the manufacturing of components, and the management of components in their end-of-life.

Widespread use of electric vehicles cannot avoid and might in fact increase the demand for lithium, cobalt, and nickel, which has implications for mining activities. The production of the e-batteries due to the extraction process of those minerals, in the Indonesian experience, extracts enormous amounts of clean water, pollutes lakes and drinking water sources, affects riverine fisheries, damages coral reefs, and causes deforestation and frequent flooding. Moreover, mining nickel and other minerals in Indonesia also triggers conflicts, violence, and criminalization in some regions. Nickel production is energy-intensive and still comes from coal-fired smelters with a high carbon footprint.

While these materials are said to be recyclable, the recycling process currently requires a significant amount of money and energy, and the long-term impacts of recycling waste batteries are still unknown. The proposal needs more information about battery waste treatment mechanisms in the respective countries to minimize environmental pollution.

We would also like to point out the lack of country-specific needs and priority assessments that serve as a basis for the countries' inclusion in the program. We fear that the proposed country-specific interventions are more supply-driven than a reflection of the core needs and priorities of the countries.

There are also concerns about how the delivery model, which has not yet been decided, of the e-buses procurement and installation of supporting infrastructure will affect the accessibility and affordability of the use of e-buses in the respective countries where it will be implemented, especially in cases where a public-private partnership delivery model is sought. Given that the loans for the e-buses and related infrastructure are sovereign loans that the ADB provides to already heavily indebted countries, which are then subsidizing private sector engagement, will there be an assurance that the transition to e-buses will not lead to an increase in ticket prices for individual users? And if this is not guaranteed through the proposal, wouldn't this effectively price out those population groups that need public transport the most, namely those lacking alternative modes of transportation? In this context, it is disappointing that the funding proposal does not once refer to concerns about affordability for bus users.

Based on the Secretariat's assessment, transportation cooperatives and drivers unions have not been included in the roster of those consulted for this FP. The ITAP also notes that for this FP's adaptation component, little to no consultation has been done by the ADB. This is worrying, given that the project renders a transition component, which could serve as an early example of the understanding of just transition that the GCF intends to integrate in the near future, according to the proposed USP-2 action plan. Engaging transport cooperatives and unions, who will be implementing the project and are among the most affected sectors of this FP, is integral in eliminating most of the technical and financial risks mentioned in the project. In its previous FPs, the ADB has been noted to have subpar stakeholder engagement, despite its capacity as an IAE. Before implementation, the ADB should undertake another round of stakeholder engagement with transport cooperatives and unions, and be reminded that stakeholder engagements must always include all primarily affected sectors of their projects. It must not take shortcuts so that adverse feedbacks are not occluded from determining the feasibility and social risks that come with its projects.

In this context, we also feel that the proposed Gender Action Plan on the program level is inadequate, despite the assertion by the ADB in the technical session that this will be complemented by sub-project level gender action plans. The program level plan itself is outdated, referring to proposed modal elements that are no longer part of the funding proposal (reference to "e-taxis"). It should thus be updated at the program outset, also to set a higher level of ambition as a framework for individual sub-project level GAPs. It is not enough to point to a proposed updating of the program gender action plan at the point of mid-level evaluation. Such a program-level update should be iterative throughout the lifespan of the program. In this context, the glaring absence of consultation of women groups in stakeholder consultations at the ADP level in designing the e-mobility program is concerning.

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