The ADB is destroying the Mekong's forests and the planet's climate

Just outside the climate change conference in Poznan this morning, Friends of the Earth held a demonstration against the World Bank's funding of coal-fired power plants. World Bank figures on stilts wearing black suits fought against polar bears, throwing pieces of coal at them. "This is a typical example of how European NGOs just don't get it on climate change," someone behind me said. It turned out he worked with the Asian Development Bank in the Bank's climate change unit. He told me that climate change is going to be decided in India and China, where we need to develop "clean ways of burning fossil fuels". By this he meant carbon capture and storage - and he admitted that no such technology exists today.

I pointed out that the World Bank and the ADB continue to fund coal-fired power plants, suggesting that it is the Banks, not the NGOs, that "just don't get it". He mentioned that the ADB had last year agreed a US$900 million loan for a coal fired power plant in Vietnam. "I'm probably more critical of the ADB than you are," he said.

A major focus of the discussions in Poznan has been on forests and their role in addressing the climate change crisis. The banks, corporations, financiers, governments and UN agencies who are suddenly enthusiastic about how forests can save the planet have played a major role in destroying the forests they now claim they want to preserve.

Earlier this year, the Greater Mekong Subregion Working Group on Environment produced a video with funding from the ADB. The
Video, titled "Forest for the Future", explains that burning fossil fuels is not the only way that carbon is released to the atmosphere: "Valuable forests are being felled for timber and making paper, for grazing and farming and for plantations to supply a growing demand for energy." In case we weren't sure about the ADB's green credentials, the Bank's press release tells us that "The forests act as lungs for our planet and can store the carbon that is emitted into the atmosphere today."

But ADB loans have had a major impact on the forests of the Mekong Region, which shrank by 68,000 square kilometers between
1990 and 2000. The ADB has funded roads that have opened up areas of forests and facilitated exports of timber. For example, Route 9, which runs from the Vietnamese port of Dong Ha to Savanakhet in Laos, is one of the roads used by Vietnamese logging companies to export timber from Laos - much of it illegally. The road passes close to two National Biodiversity Conservation Areas. Before agreeing to finance the project, the ADB admitted that the road would "exacerbate illegal trade of wildlife and log export".

Plantations are another source of ADB-funded deforestation. In Laos, the Bank acknowledges that its Industrial Tree Plantations Project created and increased poverty. Under the project, eucalyptus plantations replaced forests important to the livelihoods of local communities. Reports produced for the Bank acknowledge that "Plantation establishment has not always been consistent with environmental care," and "healthy forest" was converted to tree plantations under the project.

Nevertheless, the Bank planned to carry out another tree plantations project in Laos, which was eventually cancelled as the issue of industrial plantations in Laos became more controversial and the ADB knew that it was being watched closely by NGOs in Laos and internationally.

In Vietnam, the ADB gave a US$33 million loan for a project aimed at rehabilitating degraded forests. As is often the case with ADB and government statements on forests, farmers are blamed for deforestation, while the history of logging, and destructive development projects is downplayed or ignored completely. The project was explicitly aimed at "reducing slash-and-burn cultivation practices which jeopardize forests," according to an ADB project document.

The ADB is a major funder of Vietnam's 5 million hectare "reforestation" programme, which includes one million hectares of industrial tree plantations to feed the pulp and paper industry. Another ADB-funded project, the "Forests for Livelihood Improvement in the Central Highlands", includes 30,000 hectares of "high-yielding plantations" - industrial monocultures, in other words.

As part of a Special Export Zone on the border of Laos and Vietnam, the ADB is considering funding a wood processing plant in Lao Bao. The plant would buy eucalyptus and acacia plantation timber from Laos and Vietnam and produce "knock-down furniture, wood chips, and construction materials". A Bank project document notes that "at present [there is] some concern about increasing areas of monoculture tree areas in Viet Nam." Of course it doesn't mention the Bank's role in promoting these monocultures.

It seems unlikely that little good will come out of the Poznan climate negotiations - whether for people, forests or climate. The UN fails to discriminate between plantations and forests, meaning that ADB-funded forest destruction to make way for plantations could be included under programmes for Reducing Emissions from Deforestation and Forest Degradation. The ADB, of course, will not be protesting.

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