

July 17, 2012

**Comments from the NGO Forum on ADB: Revised CTF Investment Plan for the Philippines and the Energy Efficient Electric Vehicles Project**

**MS. PATRICIA BLISS-GUEST**

Program Manager  
Administrative Unit of the Climate Invest Fund

Dear Ms. Bliss-Guest,

We hope this message finds you well. We have noticed upon checking the Philippine CTF Philippine programming webpage that the letter of the Philippine Working Group (PWG) under the NGO Forum on ADB, dated July 11, to the members of the CTF Trust Fund Committee is not reflected there. We realized that we failed to furnish your office a copy of the said letter. Our apologies.

For your kind reference, I have attached the letter signed by Mr. Ricardo Reyes, PWG Convener, urging the Committee to defer its approval and endorsement of the revised Clean Technology Fund Philippine Investment Plan that principally supports the Energy Efficient Electric Vehicles Project.

Likewise, attached is House Resolution 2562 (Philippine Congress) that calls for "an investigation in aid of legislation and to improve the design and implementation of the E-tricycle project agreement between the Department of Energy and Asian Development Bank."

We hope that the PWG letter would be included in the comments section of the Philippine programming webpage.

Thank you and regards,

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July 11, 2012

## THE TRUST FUND COMMITTEE MEMBERS

Clean Technology Fund (CTF)  
Washington DC

Dear Sir/Madame:

The Philippine Working Group (PWG) of the NGO Forum on ADB has received urgent information that the Climate Investment Fund has recently sought your decision to endorse the revised CTF Philippine Investment Plan and, specifically, your approval of the allocation of US\$ 105 million for the project "*Market Transformation through Introduction of Energy Efficient Electric Vehicles Project*" (hereby referred to as E-trikes). This is an initiative that the Government of the Philippines and the Asian Development Bank (ADB) have, unfortunately, been vigorously pushing despite the preponderance of outstanding process, substantive and even political issues that the civil society, other relevant stakeholders and concerned parties have repeatedly raised.

We appeal to you to defer approval of this project until all major issues and concerns have been addressed by both the Philippine Government and the ADB.

In fact, this questionable E-trikes project has reached the attention and close scrutiny of two progressive members of the Philippine House of Representatives. Congressmen Mel Senen Sarmiento and Angelo Palmones have sponsored a resolution "*calling for an investigation in aid of legislation and to improve the design and implementation of the E-tricycle project between the Department of Energy and Asian Development Bank.*" They are seeking a Congressional Inquiry on the E-trikes Project given that its implementation design "makes the project prone to patronage and corruption." They have also called on the Philippine government to focus on "a long-term goal in terms of sustainable transportation initiative and not just on the immediate sales of new products." We have attached House Resolution 2562 for your perusal.

Since 2011, the PWG and the NGO Forum on ADB Secretariat have focused more on process rather than substantive issues in order to ensure that the hallmarks of a credible consultation as prescribed by the Trust Fund Committee, including inclusive participation and information disclosure, are in place. But despite several sincere attempts on our part and other of civil society organizations (CSOs) to sustain a truly meaningful dialogue that would possibly lead to consensus-based outcomes, our efforts were not reciprocated by the project proponents. In fact, every CSO engaged in this project had every reason to disengage but chose to pursue engagement because they refused to be silenced. They needed to ensure that the voices of relevant stakeholders, other than E-vehicle manufacturers, Local Government Units (LGUs), are also heard.

We believe that Multilateral Development Banks involved on this matter, the ADB in particular, could learn from the practice of the Trust Fund Committee to conduct open and frank conversation with parties that have relevant stakes on this project/initiative. It is also for this very reason that we took the consultation process seriously, albeit records will show that the only multi-stakeholder consultations last May were conducted by the ADB in a rushed, sub-par manner.

Despite process-related concerns, some consensus was still reached during the May consultations, to wit: (i) Ensure that Local Government Units (LGUs) will not, in any manner, be part of the financial cycle and system of the E-trikes project; and (ii) Create a rationale criteria that determines the LGUs where the

E-trikes will be deployed (i.e., existence of local transport planning that rationalizes the deployment of vehicles according to route and vehicle size). Suggestions were also made to for a full options analysis on the project that will include alternative vehicles in terms of affordability and potential for reduced carbon emissions.

While there were matters arising from the May consultations that have been reflected in the revised Philippine CTF Investment Plan, we can say that the project proponents have cherry-picked on the issues that were mentioned in the said submission. We never assumed a 100 percent take up of consultation feedback but we expected that the revised project document reflected highly-contentious issues, in particular agreements and consensus, even if the ADB or the Philippine government had a contrary position. Needless to say, these missing key issues could have enriched the document, which in turn would have helped the Trust Fund Committee Members to substantially deliberate on the revised Philippine CTF Investment Plan.

In view of our foregoing concerns, and apropos to the proposed Congressional Inquiry on the E-trikes project in the Philippine House of Representatives, we sincerely hope that you would take pause and caution in approving this highly-questionable project. We would be happy to field questions from and give clarifications to the Trust Fund Committee regarding our concerns.

At this time, the Philippine Working Group and the NGO Forum on ADB cannot support any endorsement of the E-trikes project.

Very truly yours,

**RICARDO B. REYES**  
Convener, Philippine Working Group  
NGO Forum on ADB