



7 November 2022

**Global Alliance for Incinerator Alternatives (GAIA)
(representing 41 Civil Society Organizations)**

Attention: **Mr. Yobel Novian Putra**

Re: **ADB's response to GAIA's letter to ADB on 19 October 2022 regarding
VIE: Binh Duong Waste Management and Energy Efficiency Project
(Project Number: 56118-001)**

Dear Mr. Yobel Novian Putra,

Thank you for your letter sent to ADB President, Management, members of the Board, and staff on 19 October 2022, setting out your concerns regarding the VIE: Binh Duong Waste Management and Energy Efficiency Project (Project Number: 56118-001). This letter responds to the issues raised.

Waste to energy and its role in the ADB Energy Policy.

Supporting waste-to-energy (WTE) is part of ADB's strategy to facilitate the transition to sustainable, lower-carbon, and resilient energy systems. Please see below excerpts from ADB Energy Policy (2021) para. 71, which outlines ADB's views and rationale for supporting waste-to-energy investments as part of accelerating the deployment of renewable energy:

“ADB will support waste-to-energy investments for heat or electricity, provided that the feedstock for combustion results from a prudent order of waste management priorities. Waste-to-energy investments can improve local environments and health in cities and rural areas by removing the environmental hazards caused by open waste dumping and open burning. ADB will support projects that promote a circular economy and consider holistically the order of priorities—first reducing waste generation, then exploiting the options for reusing and recycling materials, then using waste to recover energy or usable materials, followed by sanitary engineered landfilling as the last option.”

ADB believes the South Binh Duong Solid Waste Treatment Complex complies with policy requirements and shows the prudent waste management order required. BIWASE, as a private company, is not involved in upstream waste reduction initiatives. However, BIWASE's sorting facility in the complex separates the recyclables and organic materials in the waste mix to produce useful byproducts. BIWASE then directs the rejected materials from the sorting process to produce electricity in the WTE plant for in-house consumption. It further uses the nonhazardous residues from the WTE process in producing ceramic bricks and tiles sold commercially to the construction industry.

The draft Guidance Note on Waste-to-Energy (WTE) has been made available for consultation on ADB website for one month (as required by ADB) until 31st October 2022. While the

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consultation period has lapsed, we would be happy to present the guidance note and address any questions or comments as required.

Waste to energy's role as a renewable energy source

ADB's believes waste-to-energy plants are a significant link between the circular economy and renewable energy. Without the project the waste will be landfilled and emit methane. The plant will utilize the energy generated and reduce grid dependency. The volume of CO₂ emissions was estimated using a greenhouse gas calculation model, resulting in CO₂ emission reductions of 74,000 tons per annum (72,000 tons from the composting facility and 2,000 tons from the WTE facility).

ADB supports eliminating waste and pollution, circulating products and materials, and regenerating nature. ADB also recognizes the importance of transition approaches allowing our member countries to move towards these goals.

Performance of the facility and compliance with environmental standards

Extensive due diligence of the South Binh Duong Solid Waste Treatment Complex has been undertaken by external experts, including air quality modelling. ADB will only support projects and technologies that will comply with accepted good international practice. The plant design ensures that the operation will comply with Japanese standards for flue gas emissions from WTEs, as set out in the Japanese Air Pollution Control Act. These are more stringent than Vietnamese standards. Combustion temperatures will be maintained above levels that allow for de novo synthesis of dioxins.

Legally binding monitoring and reporting requirements are included in financing agreements and ADB is diligent in ensuring that these requirements are met. The effectiveness of these measures can be seen at the Can Tho WTE plant. ADB's monitoring identified a number of shortcomings in the plant operation and required the operator to implement measures to correct this. These have been completed and the project is now operating in compliance. Effective monitoring and supervision will be carried out for the South Binh Duong Solid Waste Treatment Complex.

ADB is committed to openness and transparency and will continue to engage with all stakeholders about its projects, programs and policies. We look forward to feedback from GAIA on the draft guidance note.

Best regards,

Asian Development Bank



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