Early Warning System

ADB-57015-001

Regional : BANPU Electric Tuktuks and Battery Project

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Quick Facts

Countries	China, Thailand
Specific Location	Jiangsu (China), Bangkok (Thailand)
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-10-18
Borrower	BANPU Public Company Limited
Sectors	Construction, Energy, Industry and Trade, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 70.60 million
Loan Amount (USD)	$ 70.60 million
Project Cost (USD)	$ 81.28 million

Project Description

As stated by the ADB, the Asian Development Bank (ADB) has identified BANPU, one of the largest energy companies in Thailand, as a reputable player with a firm commitment to transitioning from conventional energy-based businesses to cleaner energy businesses.

ADB’s corporate loan to BANPU will finance two subprojects: (i) the financing and/or refinancing of up to 1,500 electric tuktuks (e-tuktuks) and associated charging stations to be used for the provision of micro-transit services in Bangkok, Thailand; the operation of affordable and environment-friendly e-tuktuks will help curb congestion and air pollution from the transport sector; and (ii) a 1.3-gigawatt-hour (GWh) expansion of a lithium-ion battery manufacturing facility in Jiangsu, PRC to be used primarily for electric mobility (e-mobility) applications worldwide.

Through the project, ADB will contribute to the integration of advanced electric vehicle (EV) manufacturing capabilities, the scaling up of the EV ecosystem in Asia, and the smooth transition of the auto industry from fossil fuel–powered vehicles to EVs. ADB’s financing will support BANPU’s plan to accelerate its transition to more green and sustainable businesses.

Early Warning System Project Analysis

The ADB categorized the project risk as follows:

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

According to ADB documents, The lithium-ion battery manufacturing facility in Jiangsu, PRC, has been categorized with a medium environmental risk (Category B), implying that its environmental impacts are generally site-specific and manageable through mitigation. The principal environmental risks stem from industrial processes related to battery production, primarily concerning hazardous materials and waste management, as the facility generates hazardous substances such as N-methyl pyrrolidone slurry, electrolytes, and waste activated carbon. Although the facility operates with an approved, revised Environmental Impact Assessment (EIA) (from 2020) and maintains an ISO 14001 certified environmental management system to control air emissions (using NMP recovery and activated carbon systems) and wastewater, minor non-compliance was identified regarding its current operations, specifically noting that the on-site storage of recyclable waste needs improvement to prevent issues like surface runoff or contamination. Furthermore, a significant risk moving forward is linked to the planned production capacity expansion; this expansion necessitates that the existing environmental management system, risk registers, and monitoring procedures must be reviewed and updated to ensure they remain adequate, and confirmation is needed regarding whether an updated EIA will be required for the expanded operations

Investment Description

- Asian Development Bank (ADB)

According to the ADB, the Clean Technology Fund will contribute to the project with a loan of US$ 10.68 million.

Private Actors Description

As stated by Bloomberg, Banpu Public Company Limited mines for coal and other minerals. The Company produces thermal coal and coking coal, and have expertise in open-pit and underground coal mining operations, as well as coal-fired power generation. Banpu PCL has business bases in Thailand, Laos, Indonesia, China, Australia and Mongolia.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Banpu PCL	Client	Energy

Contact Information

ADB Team Leaders:

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No contacts provided at the time of project disclosure.

Client - BANPU Public Company Limited:

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Environmental and Social Safeguard Due Dilligence Project [Original Source]
- Gender Action Plan
- Preliminary Poverty and Social Analysis
- Report and Recommendation of the President to the Board of Directors