

Factsheet: Matarbari Ultra Super Critical Coal-Fired Power Project (Bangladesh)

August 2019

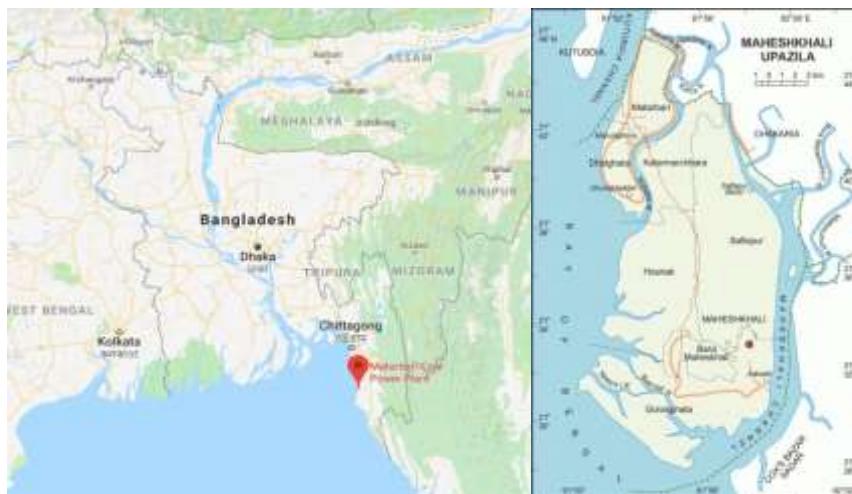
By Japan Center for a Sustainable Environment and Society (JACSES)

1. Project Overview

- Project Purpose: To construct a 1,200MW (600 MW x 2 units) capacity coal-fired power generation using ultra-supercritical (USC) technology and its relating infrastructure (e.g. coal importing port; electric lines) for the supply of electricity. The following are components funding by the Japan International Cooperation Agency (JICA).
 - ① USC coal-fired power generation (2 x 600MW); coal importing port (maximum water depth approx. 18.5m).
 - ② Power lines (e.g. 400kV power lines of approx. 92km; steel towers).
 - ③ Access roads (e.g. approx. 675km bridge; approx. 8.5km of new road constructions; approx. 34.5km of existing road repairs).
 - ④ Electrification of the surrounding area (25km of 132kV power lines; 132/33kV and 33/11kV substation; 33/11/6.35/0.4kV power distribution facility).
 - ⑤ Procurement of materials and equipment (e.g. large vehicles; meters; disaster prevention equipment).
 - ⑥ Consulting services (e.g. detailed designing; bid assistance; construction supervision; organization strengthening).

➤ Location

Matarbari, Cox's Bazar District, Chittagong Division, Bangladesh.



- Total project cost: approx. 700.4 billion JPY

- Project owners:

Coal Power Generation Company. Bangladesh Limited (CPGCBL)
Power Grid Company of Bangladesh (PGCB)
Roads and Highways Department, Ministry of Road. Transport and Bridges (RHD)

- EPC Contract: Sumitomo Corporation, Toshiba, IHI
- Loaning Institutions: Japan International Corporation Agency (JICA) are currently funding based on the following contracts.
 - Term 1 (L/A signed June 2014): 41.498 billion JPY
 - Term 2 (L/A signed June 2016): 37.821 billion JPY
 - Term 3 (L/A signed June 2017): 10.745 billion JPY
 - Term 4 (L/A signed June 2018): 67.311 billion JPY
 - Term 5 (L/A signed July 2019): 143.127 billion JPY
- Planned run date: January 2024

2. Project Timelines

November 2, 2012	JICA's Environmental and Social Considerations Advisory Committee finalizes advice regarding the environmental and social considerations (ESCs) of the scoping proposal of the preparatory surveys. ¹
May 10, 2013	JICA's Environmental and Social Considerations Advisory Committee finalizes advice regarding the ESCs of the DFR of the preparatory surveys. ²
June 2013	CPGCBL complete the Environmental Impact Assessment (EIA). ³
July 22, 2013	CPGCBL submit the EIA to the Department of Environment (DoE). ⁴
October 10, 2013	DoE approves the EIA concerning the construction and maintenance of power plant and port.
October 28, 2013	JICA publishes the Land Acquisition and Resettlement Action Plan (LARAP).
November 19, 2013	DoE approves the EIA concerning the construction and maintenance of power lines and access roads.
June 16, 2014	JICA and the Government of Bangladesh sign the term 1 L/A. ⁵
March 2015	JICA releases the Business Preparatory Survey Report
June 29, 2016	JICA and the Government of Bangladesh sign the term 2 L/A. ⁶
June 29, 2017	JICA and the Government of Bangladesh sign the term 3 L/A. ⁷
August 23, 2017	Sumitomo Corporation, Toshiba and IHI announce their joint business ownership
October 18, 2017	NEXI decides to insure orders by Sumitomo Corporation and IHI. ⁸
January 28, 2018	Start of construction.
March 8, 2018	JICA releases the Land Acquisition and Resettlement Action Pan (LARAP) for an access road
April 13, 2018	JICA's Environmental and Social Consideration Advisory Committee finalize advice on environmental and social considerations regarding environmental review. ⁹

¹ https://www.jica.go.jp/environment/advice/ku57pq00000newlq-att/ban03_sco_jogen.pdf

² https://www.jica.go.jp/environment/advice/ku57pq00000newlq-att/ban03_DFR_jogen.pdf

³ <https://libportal.jica.go.jp/library/Data/DocforEnvironment/EIA-EPC/EastAsia-SouthwesternAsian/ChittagongACFPPDP/BCEIA.pdf>

⁴ https://libportal.jica.go.jp/library/Data/DocforEnvironment/EIA-EPC/EastAsia-SouthwesternAsian/ChittagongACFPPDP/BCEIA_Approval.pdf

⁵ https://www.jica.go.jp/press/2014/20140616_01.html

⁶ https://www.jica.go.jp/press/2016/20160629_01.html

⁷ https://www.jica.go.jp/press/2017/20170629_02.html

⁸ <https://www.nexi.go.jp/topics/newsrelease/2017100602.html>

⁹ https://www.jica.go.jp/environment/advice/ku57pq00000newlq-att/ban07_KAN_jogen.pdf

June 14, 2018	JICA and the Government of Bangladesh sign the term 4 L/A. ¹⁰
September 11, 2018	JICA Bangladesh Office Meets Local NGOs at Dhaka Office
April 15, 2019	CPGCBL and JICA held a consultation for affected residents and local NGOs
July 1, 2019	JICA and the Government of Bangladesh sign the term 5 L/A. ¹¹

3. Main Problems



Figure 1. Conditions by the northwest gate. The project site is on the right-hand side.



Figure 2. Alternative housing for relocated residents during construction.

- 1) **Worsening of floods:** The local area used to have several water gates installed to mitigate flooding. However, three of these water gates were closed off with the start of the project construction. Local residents and NGOs have pointed out the flooding of houses, fields, rice paddies, schools, and other areas, the inability to secure food and drinking water, and a case where a child has drowned. The area had never experienced such serious floods in the past and has only worsened since the start of the project. In response, JICA insists that there is no direct relationship between the project and floods. However, not only is it difficult to prove the cause of natural disasters in the first place, but data on water levels and damages were not recorded prior to the implementation of the project. Even if the relationship between the disasters and project cannot be proven, there is still the possibility that the JICA project is affecting the area. Therefore, preventative measures should be taken, and a disaster relief system should be prepared in case further damages occur.

- 2) **Insufficient recovery of livelihoods:** The Matarbari district thrives with salt farming in the dry season and shrimp farming during the rainy season. The project site was also used as a

¹⁰ https://www.jica.go.jp/environment/advice/ku57pq0000newlq-att/ban07_KAN_jogen.pdf

¹¹ https://www.jica.go.jp/press/2019/20190701_31.html

salt and shrimp farm, which many local residents relied on to make a living. However, these residents are now unemployed due to the construction of the power plant. According to JICA's LARAP, 343 households (2,031 people) are likely to have been directly affected by the project, 70% of which are either salt or shrimp farmers. In addition to the landowners and land users of these farms, 1057 people were hired by the farmers to earn a living. According to a local NGO, majority of affected people have struggled to find new jobs and suffered from unemployment. The local residents have repeatedly protested demanding for work. JICA states that around 1100 (up to 1700) people have been employed temporarily at the construction site, but the numbers are insufficient, and it is only a short-term solution. 194 affected residents have either received or are currently receiving vocation training (as of May 2018) and only a fraction have been reemployed. Therefore, loss and reimbursement of livelihoods as specified in JICA's Environmental and Social Considerations Guidelines have not been properly implemented, making it hard to believe that the social agreements have been properly achieved.

3) **Delay in providing alternative housing and insufficient compensation amounts:**

Resettlements of over 40 households were carried out. According to JICA, relocated residents are currently living in government-owned housing for free and with compensation but JICA does not have information of where they live and what kind of housing are provided to them. On the other hand, according to a local NGO, this is not the case; in fact, relocated residents are living in surrounding housing and are being required to pay high rent. Approximately ten alternative homes are currently under construction as of December 2018, and the constructions are also majorly delayed. Regarding compensations, several residents who submitted compensation applications did not receive any response from authorities. JICA has refused to disclose information on the compensation implementation rate.

4) **Damage of community roads and traffic accidents:** Project related vehicles (including heavy vehicles) frequently travel through the Matarbari's narrow community roads, resulting in complaints regarding road damage and the safety of residents. JICA plans on constructing a new access road in the future, but access roads should have been built before starting project constructions if they considered the safety of the local residents.

5) **Inflow and accumulation of sediment in surrounding rivers:** Water containing large amounts of sediment is being released from the drainage gate located on the east side of the project area, resulting in large amounts of sediment accumulating in the Kohelia river and affecting the operations of ships. Although the implementing body and JICA do not recognize the relationship between the project and sediment accumulation, they measured

the water level near the drainage gate and carried out dredging work. However, it is said that this implementation was carried out only partly, thus it is still insufficient for ship operations.