

June 11, 2020

1. Mr. Shinzo Abe, Prime Minister, Japan
2. Mr. Toshimitsu Motegi, Minister for Foreign Affairs, Japan
3. Mr. Shinichi Kitaoka, President, Japan International Cooperation Agency (JICA)

Re: Demand letter to the PM Abe: Do not support and finance the Matarbari coal-fired power plant phase 2 project in Bangladesh

Dear Mr. Abe,

We, **44 organizations from 18 countries** draw your attention to our deep concern with the JICA-financed Matarbari coal-fired power plant (CPGCBL-Sumitomo). JICA has already provided approximately US\$ 1.48 billion, and anticipates providing an additional, estimated US\$ 1.32 billion¹. A second phase with additional 1,200 MW capacity is proposed to be built with funding from JICA². We write to raise urgent human rights and environmental concerns regarding those coal-fired plants in Matarbari, Cox's Bazar. These power projects would also damage the health and livelihoods of local communities and our climate.

We demand Japan International Cooperation Agency (JICA) not to support and finance the project on the following reasons:

Reason 1: Bangladesh is already burdened with power overcapacity, and additional capacity will increase the financial loss. The country already needs around USD 8.0 billion for the post COVID-19 economy, and the cyclone Amphan recovery.

Like the rest of the world, Bangladesh's economy is hit hard by the COVID-19 pandemic. The country needs around USD 8.0 billion³, and has already sought US\$ 4.50 billion loans from foreign donors, among which US\$ 1.00 billion from JICA, to cover the budget deficit for the next fiscal year 2020-21⁴. In the meantime, super cyclone Amphan ravaged the nation's coastline last month and caused damage worth US\$ 129.00 million⁵. Simply put, Bangladesh cannot afford another coal-fired power project which is likely to be stranded asset and need a huge amount of government subsidy. Bangladesh already has major power overcapacity with only 43% capacity utilization of existing power plants in 2018-19 fiscal year, while the capacity payments to idle plants reached US\$ 1.10 billion⁶. Moreover, COVID-19 pandemic has caused a drastic reduction of electricity demand⁷, which could raise questions around the need for more plants. Any additional coal or LNG-fired power capacity would add significant financial stress to the country. Hence, those projects are highly contradictory with JICA's emphasis on sustainable development in Bangladesh.

Reason 2: JICA should investigate complaints in land acquisition and compensation process in Matarbari project

The first two turbines of the Matarbari plant (phase 1) are built on land for shrimp farming, crop and salt production, which has limited the livelihoods of Matarbari residents. Those displaced by the project were not given prior notice as required by the Land Acquisition Act 1982⁸, have not been met with fair compensation, livelihood restoration and resettlement. Some

had to pay 30 percent as bribe to get the compensation⁹. Only a fraction of the 1,057 people previously employed by the salt and shrimp farm have found alternative employment¹⁰. In 2019, five years after the first land acquisition, many landowners claimed not to have received compensation or claimed to have received inadequate compensation¹¹. Moreover, those government officials who were allegedly involved with corruption during land acquisition from 2012 to 2015, are not yet investigated or punished¹². Although civil society organizations such as ActionAid International¹³, Bangladesh Working Group on External Debt (BWGED)¹⁴, Transparency International Bangladesh (TIB)¹⁵ have claimed the land acquiring process in Matarbari was flawed, the government never initiated an investigation to dig deep into the allegations.

As the financier of the Matarbari project, we urge JICA to investigate ongoing issues of compensation and loss of livelihoods related to this project to ensure affected communities do not continue to suffer hardship. Delay in paying compensation and providing alternative housing and livelihood does not comply with JICA's Environmental and Social Considerations Guidelines, which says "Prior compensation, at full replacement cost, must be provided as much as possible. Host countries must make efforts to enable people affected by projects and to improve their standard of living, income opportunities, and production levels, or at least to restore these to pre-project levels¹⁶."

Reason 3: JICA cannot deny responsibility for worker's right violation as labourers were forced to continue work during COVID-19 lockdown risking their health.

While the whole world is battling the COVID-19 emergency and taking strict measures for public health, the 3,000 workers at Matarbari construction site had to work regardless of nationwide shutdown. In April 2020, the laborers went on strike demanding their entitlement of the right to safe health. Matarbari plant's co-sponsor CPGCBL denied any complaints by the labourers and stated that the work will continue¹⁷.

As a co-sponsor, JICA cannot deny the responsibility of worker's rights violations in the Matarbari construction site. As a nation, Japan has always been a frontrunner of upholding universal declaration human rights (UDHR), and JICA's recognition of human rights standards, such as the UDHR and Official Development Assistance (ODA) considerations for human health and safety, enshrined in JICA's Guidelines, warrants that JICA address the demands of the workers and their right to safe health¹⁸.

Reason 4: Pollution from Matarbari plant would cause significant health damage and premature deaths in Bangladesh

Pollution from Matarbari power plant (Phase-1) is estimated to cause up to 14,000 premature deaths during its operational years¹⁹. Bangladesh's air quality has already been ranked among the worst in the world²⁰ and it is estimated that pollution from fossil fuel causes 96,000 premature deaths in the country every year²¹. JICA finance to Matarbari coal plants would be linked to deaths in Bangladesh and contradicts its stated aims of achieving the Sustainable Development Goals (SDGs).

Reason 5: Building new coal-fired power plants is neither consistent with the goal of Paris Agreement, nor is Japan's Long-term Strategy under the Paris Agreement

In the Long-term Strategy under the Paris Agreement (approved by the Cabinet in June 2019), the Government of Japan states that "the Government will promote the development and investment of energy infrastructure abroad in order to contribute to the global reduction of Carbon dioxide emissions consistent with the long-term goals stipulated in the Paris Agreement." To achieve the Paris goals, it is necessary even for developing countries like Bangladesh to completely stop the operation of coal-fired power plants by 2040²² – it is obviously not consistent with the Paris goals to build new coal-fired power plants even if they

are implemented with ultra-super critical technology. Moreover, JICA's involvement in the Matarbari coal-fired plants is contradictory with its' Climate Change Cooperation Strategy, according to which, "JICA will strongly support the transformation to a low-carbon and climate-resilient society and economy in developing countries" with the aim of "attaining the objectives and goals of the Paris Agreement²³."

For the above reasons, JICA should not support Matarbari coal-fired power phase-2 project.

Sincerely

Signed by:

1. 350.org, Japan
2. Aksi! for gender, social and ecological justice, Indonesia
3. Asian Peoples Movement on Debt and Development (APMDD), Philippines
4. Association of Advancing Life And Regenerating Motherland (ALARM), Myanmar
5. Buliisa Initiative for Rural Development Organisation (BIRUDO), Uganda
6. Center for Environment and Participatory Research (CEPR), Bangladesh
7. Center for Environmental Justice, Sri Lanka
8. Change Initiative, Bangladesh
9. CLEAN (Coastal Livelihood and Environmental Action Network), Bangladesh
10. Collective for Economic Justice (CEJ), India
11. Committee for the Abolition of Illegitimate Debt (CADTM), South Asia
12. Development Synergy Institute (DSI), Bangladesh
13. Environics Trust, India
14. Equitable Cambodia
15. Fresh Eyes, United Kingdom
16. Friends of the Earth, Japan
17. Friends of the Earth, United States
18. Gender Action, United States
19. Greenpeace, Japan
20. Green South Foundation, Thailand
21. Growthwatch, India
22. INSAF (Indian Social Action Forum), India
23. International Association of People's Lawyers, Turkey
24. Japan Center for a Sustainable Environment and Society (JACSES), Japan
25. Kiko Network, Japan
26. KRuHA, Indonesia
27. Life and Nature Safeguard Platform, Bangladesh
28. Mighty Earth, United States
29. NGO Forum on ADB, Philippines
30. Oil Change International, United States
31. Oyu Tolgoi Watch (OtWatch), Mongolia
32. Pakistan Fisherfolk Forum (PFF), Pakistan
33. People of Asia for Climate Solutions, Philippines
34. Progressive Plantation Workers Union (PPWU), India
35. Recourse, Netherlands
36. Rivers without Boundaries International Coalition
37. Rivers without Boundaries Coalition, Mongolia
38. SNI (Indonesia Fisherfolk Union), Indonesia
39. The Sunrise Project, Australia

40. Thepha Anti-Coal Network, Thailand
41. WALHI, Indonesia
42. Witness Radio, Uganda
43. Woman Health, Philippines
44. Youth for Environment Education and Development (YFEED) Foundation, Nepal

Source of Information

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- ⁵ The Business Standard, '[Coasts ravaged; 20 killed, damage worth Tk1,100 cr](#)' (21 May 2020)
- ⁶ Institute for Energy Economics and Financial Analysis, '[Bangladesh Power Review: Overcapacity, Capacity Payments, Subsidies and Tariffs are set to rise even faster](#)' (May 2020)
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- ¹⁰ Japan Center for a Sustainable Environment and Society, '[Factsheet: Matarbari Ultra Super Critical Coal-fired Power Project \(Bangladesh\)](#)', (August 2019)
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- ¹⁷ Daily Prothom Alo, 'মাতারবাড়ী বিদ্যুৎকেন্দ্র লকডাউনের দাবি, কর্তৃপক্ষ বলছে কাজ চলবে.', (10 April, 2020)
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- ²³ Japan International Cooperation Agency, '[JICA Climate Change Cooperation Strategy](#)' (September 2016)