



Phulbari's fertile farmlands are Bangladesh's rice bowl. Photo: JACSES.

# The Phulbari Coal Project

## A Threat To People, Land, And Human Rights In Bangladesh

The Phulbari Coal Project would excavate an immense open pit coalmine in the Phulbari region of northwest Bangladesh. The project threatens to destroy the homes, lands, and water sources of as many as 220,000 people, and forcibly evict tens of thousands of people. The families whose farmlands would be destroyed are at risk of being made destitute, as the project would not provide replacement land to those who are displaced. The project has faced widespread opposition in Bangladesh, with massive protests involving tens of thousands of people beginning in 2006 and continuing through today.

### PROJECT DETAILS<sup>1</sup>

- **Location:** Dinajpur district of northwest Bangladesh, just six miles from the Indian border
- **Land acquired for the project:** 14,660 acres, 80% of which is fertile farmland
- **Projected lifespan of the mine:** 36+ years
- **Total coal extraction:** 572 million tons; 16 million tons annually at peak production
- **Use:** investment agreement allows for export of all coal; estimated one-fifth to be used for domestic energy consumption in Bangladesh with the remainder earmarked for export
- **Coal-fired power plants:** at least one 500 MW plant in the port city of Khulna
- **Revenues & taxes to Bangladesh:** 6% fixed sales royalty; no export duties; and a nine-year tax holiday



## DISPLACEMENT & INCREASED POVERTY

The number of people who would be uprooted and evicted from their homes and lands to make way for the Phulbari Coal Project is disputed. According to a draft Resettlement Plan (RP) commissioned by the project's financier, Global Coal Management Resources (GCM), the company will displace and resettle nearly 50,000 people (49,487 people and 11,247 households). In contrast, an Expert Committee commissioned by the government of Bangladesh concluded that nearly 130,000 people would be immediately affected, and as many as 220,000 may be displaced over time as mining operations drain the water from their wells and irrigation canals.<sup>4</sup> IAP carried out a detailed analysis of GCM's draft RP and determined that it grossly understates the number of people the project would actually displace.<sup>5</sup> The result is that thousands of families would be left homeless and destitute, without the resettlement assistance they need—in a country already overwhelmed by poverty.

## INDIGENOUS RIGHTS VIOLATED

The Phulbari Coal Project would evict or impoverish 50,000 Indigenous People belonging to 23 different tribal groups.<sup>6</sup> Indigenous People have been fighting against the mine since 2006, and Bangladesh's National Indigenous Union (*Jatiya Adivasi Parishad* or JAP) has appealed for international support to halt the project.

“The project threatens some of Bangladesh's most vulnerable indigenous peoples, who trace their ancestry in the region back 5,000 years,” notes Paula Palmer, director of Cultural Survival's Global Response program. “Indigenous leaders fear that if their small communities are broken apart and dispersed, they will not be able to maintain the cultural traditions, religious practices, and languages that have sustained them for thousands of years. To them,” Palmer adds, “the mine means ethnocide.”

## LANDLESSNESS & HUNGER

The Phulbari Coal Project would destroy nearly 12,000 acres of Bangladesh's most fertile and productive agricul-



Villagers whose homes in Phulbari may soon be destroyed.  
Photo: Shefali Sharma.

tural land in a region that serves as the country's rice bowl.<sup>7</sup> Due to its elevation and location, Phulbari is also uniquely protected from the annual flooding that regularly wipes out crops elsewhere in this low-lying nation. The destruction of this farmland would decrease food security in a nation in which nearly half of all people currently live below the nutrition poverty line.<sup>8</sup>

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—Paula Palmer, Global Response  
director for Cultural Survival

Although 80% of all households to be evicted are subsistence farmers and Indigenous People with land-based livelihoods,<sup>9</sup> none would receive replacement lands. There

## WHO WANTS THE PROJECT?

- UK-based company, Global Coal Management Resources Plc (GCM), formerly known as the Asia Energy Corporation<sup>2</sup>

## WHO SUFFERS?

- 130,000 people who would be evicted from their homes and lands
- 50,000 Indigenous People who would be displaced or impoverished
- 220,000 people who would lose their access to water
- An unknown number of people who would suffer health impacts and increased mortality from coal extraction, processing & combustion

## A PROJECT STALLED BY CONTROVERSY

The Phulbari Coal Project has been stalled since its inception in 2005, while approval of a new national coal policy has been repeatedly blocked by controversy over whether to include a nation-wide ban on open-pit mining. In March 2011, Bangladesh's current administration announced the formation of an Expert Committee to finalize a draft coal policy, thereby postponing decisions on whether to ban open-pit coal mining or approve the Phulbari Coal Project once again.<sup>3</sup> Meanwhile, Global Coal Management Resources Plc (GCM), the London-based company formed solely to execute the mine, has renewed aggressive efforts to push the project forward.

are none available in what is one of the world's most densely populated countries. The project's draft Resettlement Plan baldly states that "Large tracts of cultivation land will be permanent [sic] acquired by the Project and most households will become landless."<sup>10</sup> Plans to provide only cash compensation for lands destroyed show a reckless disregard for the large body of research on the displacement of people with land-based livelihoods showing that reliance on cash compensation alone results in impoverishment.<sup>11</sup>

### THREATS TO THE RIGHT TO WATER

Underground water levels have been gradually falling in eight of Bangladesh's northern districts, generating concerns about the potential desertification of the country's entire northern region. Roughly 30% of the tube wells used to access water are already inoperative during the dry season as a result of declining groundwater resources,<sup>12</sup> and nearly half of all people in Phulbari do not currently have enough water to meet their needs.<sup>13</sup>

Despite existing water shortages, operations at the Phulbari coalmine would drain the water sources people now rely on for their household and agricultural needs. In order to maintain dry conditions within the mine, huge pumps would drain up to 800 million liters of water each day from the mine's deep pits, lowering the water table by 15-25 meters for more than six miles beyond the mine's footprint, affecting more than 190 square miles, and threatening to deprive 220,000 people of their access to water.<sup>14</sup>

### AT WHAT COST? THREATS TO PUBLIC HEALTH

The Phulbari Coal Project would reproduce the severe pollution of air, water, and soil that have plagued communities living with coal extraction and coal-fired power, with grave health impacts for local people.

Each stage in the life cycle of coal generates a waste stream that poses serious threats to health and the environment. Coal itself contains toxic heavy metals and carcinogens, including mercury, lead, and arsenic. Crushing, processing, and washing coal releases heavy metals and tons of toxic air-borne pollutants. Coal combustion waste contains "pollutants known to cause cancer, birth defects, reproductive disorders, neurological damage, learning disabilities, kidney disease, and diabetes."<sup>15</sup>

### AN ENVIRONMENTAL DISASTER

Open-pit or open cast mining is considered one of the most destructive activities on earth. This method for large-scale mining involves excavating a massive hole in the earth, in the process destroying the ecosystem in the immediate footprint of the mine. Longer term, open-pit mines create erosion and pollute water and soil with toxic metals and acid-forming sulfur. Acid mine drainage may render water sources undrinkable and contaminate groundwater needed for agriculture for centuries to come.<sup>16</sup>

Open-pit mining is often the chosen method when deposits of mineral or rock are found near the surface. In a project like Phulbari, where coal deposits are 150-260 meters below



Open-pit coal mine. Photo: Jen SFO-BCN.

ground, open-pit mining becomes even more destructive and high-risk. In fact, the Australia-based mining giant BHP Billiton assessed Phulbari's coal mining potential in 2005, then sold its rights to mine at Phulbari after concluding that the depth of the coal deposits would make mining activity so destructive that it would not be feasible to comply with Australia's environmental standards or those of any country worldwide.<sup>17</sup>

**"Large tracts of cultivation land will be permanent [sic] acquired by the Project and most households will become landless."**

—Draft Resettlement Plan, AEC/GCM

The Phulbari Coal Project threatens the Sundarbans Reserved Forest (SRF), a UNESCO protected World Heritage site, the largest remaining mangrove forest in the world, and a bio-diverse habitat that supports at least 58 rare and threatened species, including Bangladesh's last remaining population of the royal Bengal tiger. Global warming has raised the stakes for preserving the Sundarbans. The vast forest sequesters carbon and provides a life-preserving buffer against the devastating impacts of tropical storms and cyclones in Bangladesh, which are increasing in frequency and intensity as a result of climate change.

Despite the importance and protected status of the Sundarbans, the Phulbari Coal Project would transport coal on a fleet of barges traveling continuously through this sensitive wetlands ecosystem over the 36-year life of the mine. Up to 8 million tons of coal per year would be transferred from the barges to oceangoing vessels at a floating offshore re-loading facility, also located within the Sundarbans, posing a great risk of spills. The project's Environmental and Social Impact Assessment rates the risk that barge fuel could contaminate the reserve as "extremely high," adding that a "worst case scenario" spill would result in "extreme mortality or severe damage to mangroves and other shoreline plant species."<sup>18</sup>

With coal accounting for roughly 20% of the world's greenhouse gas (GHG) emissions,<sup>19</sup> the construction of new coal-fired power plants poses an unparalleled global threat,



Coal-fired power plant. Photo: Matthias17

particularly in Bangladesh, one of the most vulnerable countries in the world to rising sea levels and increases in tropical storms resulting from global warming.<sup>20</sup> Phulbari's 572 million tons of coal would generate 1.14 billion tons of carbon dioxide, and release methane gas equivalent to an additional 14.2 million tons of carbon dioxide.<sup>21</sup>

### DEADLY FORCE & RESISTANCE

Massive protests against the Phulbari Coal Project began in August of 2006, when paramilitary troops opened fire on some 70,000 people marching in Phulbari, killing three people and wounding as many as 200. Outraged citizens united in protest and enforced a four-day strike, closing shops, offices, educational institutions, and roadways in the Dinajpur district. AEC/GCM was forced to suspend its operations after demonstrators torched the company's project information office and its personnel fled the country under police escort.

Project opponents have suffered further violence, including savage public beatings by members of the police, death threats, and arbitrary arrest and detention. Bangladesh's notorious Rapid Action Battalion (RAB), denounced as a "death squad" by Human Rights Watch, has been deployed to at least two demonstrations against the project in the past year.<sup>22</sup>

Lethal violence and repression have failed to suppress opposition to the project. The grassroots struggle to stop the Phulbari Coal Project has grown into one of the most broad-based, vibrant anti-coal campaigns in the Global South, and has succeeded in blocking the mine for six years. Speaking with villagers in Phulbari who are fighting to protect their homes, lands, and communities from complete destruction, IAP is repeatedly struck by their determination to continue the fight, no matter what the cost. Said one, *"We will give our lives, but we will not leave this place. We will not allow the mine to happen. The government can take as many dead*

*bodies as they want, we won't leave the village. And no one from Asia Energy will come here again. They won't even be able to enter this area. We will fight."*

### RECOMMENDATIONS: A BETTER WAY FORWARD FOR BANGLADESH

The Phulbari Coal Project should not be approved. Any development plans for Phulbari must be based upon the free, prior and informed consent of the people who live there. Decisions about the project must be reached through a process that includes the genuine participation of local people and is not distorted by the bribery, intimidation, and violence that have violated civil and human rights and obstructed meaningful participation in decision-making by affected communities thus far. As a signatory to the 2011 [Dhaka Declaration](#), Bangladesh has made a commitment to urgently pursue a low-carbon development future, based on clean energy alternatives that will not increase the perils of global warming that already threaten Bangladesh and its people or destroy their homes and farmlands. In resolving

***"We will give our lives, but we will not leave this place. We will not allow the mine to happen. The government can take as many dead bodies as they want, we won't leave the village."***

*—Villager threatened with forced eviction in Phulbari*

to show the moral leadership required to combat "the global menace of climate change," Bangladesh also called upon developed countries to support their commitment — a moral obligation that the UK and GCM should fulfill, not undermine.



Tens of thousands of people joined a 7-day and 250-mile march to protest the Phulbari Coal Project in October, 2010. Photo: Anha F. Khan.

## Endnotes

- 1 Asia Energy (2007: 4-3 & 4-4), [Resettlement Plan for Asia Energy's Phulbari Coal Project](#), (hereafter Asia Energy 2007); [Summary Environmental Impact Assessment August 2006](#), Project 39933, Asian Development Bank (hereafter ADB 2006); and Roger Moody (2008: 57 & 63), "[Phulbari Coal: a Parlous Project](#)" (hereafter Moody 2008).
- 2 Asia Energy Corporation changed its name to Global Coal Management Resources on January 11, 2007. However, its 2008 contract to explore Phulbari's coal reserves is in the name of GCM's wholly owned subsidiary in Bangladesh, Asia Energy Corporation (Bangladesh) Pty Limited.
- 3 "[Nat'l committee on finalising \[sic\] coal policy likely: The policy will reflect the public opinion, Enamul Haq tells daily sun.](#)" Shamim Jahangir, *The Daily Sun*, March 31, 2011.
- 4 [Summary of Expert Committee Report](#), Government of Bangladesh (2006: 9).
- 5 Jen Kalafut (2008: 10 & 18-22), [Phulbari Coal Project: An Assessment of the Draft Resettlement Plan prepared by Global Coal Management/Asia Energy](#).
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- 8 World Food Programme (2011), "[Food security at a glance](#) - Bangladesh.
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- 17 Moody (2008: 65).
- 18 Moody (2008: 63 & 87-92).
- 19 <http://www.pewclimate.org/global-warming-basics/coalfacts.cfm>
- 20 Kate Hoshour (2010: 5 & 6), "[Multiplying displacement impacts: development as usual in a changing global climate.](#)"
- 21 Epstein, et al. (2011) and "Coal Mining Challenges in Bangladesh, Part 1," *Energy Bangla*, September 26, 2009. <http://www.energybangla.com/index.php?mod=article&cat=CoalSector&article=1789>
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