

## THE INDIGENOUS PEOPLES DEVELOPMENT PLAN<sup>1</sup> FOR THE PHULBARI COAL PROJECT, BANGLADESH

AN ANALYSIS PREPARED BY  
[INTERNATIONAL ACCOUNTABILITY PROJECT](#)

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January 30, 2012

### I. PROJECT OVERVIEW

The Phulbari Coal Project would acquire 14,660 acres of land in northwest Bangladesh, 80% of which is fertile farmland. The project would evict tens of thousands of people, most of whom have land-based livelihoods. The risk that affected families will be impoverished is extremely high, as the project would not replace their agricultural or forest lands. According to the IPDP, 7.3% of the households that would be displaced are indigenous households from the Santal, Munda and Mahili groups. These groups are the descendants of a pre-historic 'Pre-Dravidian race' that are considered the oldest inhabitants of the South Asian subcontinent<sup>2</sup>

The project has generated fierce opposition within Bangladesh and from a growing coalition of international human rights and environmental groups, including International Accountability Project (IAP). In December of 2010, Bangladesh's National Indigenous Union (*Jatiya Adivasi Parisad*) appealed for urgent international action to avert a humanitarian and environmental disaster in Bangladesh and ensure that the project does not go forward as planned. Responding to this appeal, Cultural Survival launched a Global Response Campaign aimed at halting a project that would mean "ethnocide" for the indigenous people it threatens.

The Phulbari Coal Project is being pushed forward by the UK-based Global Coal Management Resources (GCM) and its wholly owned subsidiary, the Asia Energy Corporation (Bangladesh) Pty Ltd.

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<sup>1</sup>Indigenous People's Development Plan for Asia Energy's Phulbari Coal Project: IPDP Final Report, Volume 4, Section 2 of the Environmental & Social Impact Assessment (ESIA) of Asia Energy's Phulbari Coal Project, prepared by SMEC Australia Pty Ltd, North Sydney (April 2006) for Asia Energy Corporation (Bangladesh) Pty Ltd, Asia Energy (2007).

<sup>2</sup>IPDP: Executive Summary, p.5 & 6; & Appendix 3, pp. 5-7. This document is hereafter referenced as IPDP.

This analysis focuses on expected and potential impacts on indigenous people identified in the Indigenous People’s Development Plan, hereafter the IPDP. A broader analysis of project impacts is provided in the Phulbari Project Fact Sheet prepared by IAP (attached). The Fact Sheet can also be accessed on [IAP’s Phulbari page](#).

## **II. NEGATIVE PROJECT IMPACTS ON INDIGENOUS PEOPLE IDENTIFIED IN THE IPD INCLUDE:<sup>3</sup>**

- Displacement and involuntary resettlement;
- Loss of land, productive resources and other assets;
- Disruption to livelihood systems and impacts on social networks
- An increase in Sexually Transmitted Diseases and HIV/AIDS in particular;
- Mine-related impacts on health and safety;
- Disturbance from mining activities, such as noise and vibration, and;
- Land subsidence resulting from dewatering operations.

## **III. ADDITIONAL CONCERNS IDENTIFIED BY INDIGENOUS PEOPLE AND SUMMARIZED IN THE IPDP INCLUDE:<sup>4</sup>**

Concerns raised most frequently were the loss of inherited traditional land and land and forest-based resources and the implications for their current way of life and livelihoods. There is, in particular, concern about how people who do not have formal individual ownership rights or land titles will be compensated for land and resource loss. Further concerns include:

- Impacts associated with the scarcity of land, and associated high demand and costs, such as the inability to purchase replacement land;
- Disruption of current occupations and income-generating activities, particularly in relation to agriculture and forestry;
- Who will conduct land acquisition and compensation activities, how compensation rates will be determined, and the method and timing of disbursements;
- Impacts on existing infrastructure and services, such as water, transport, health, education, markets, electrical supply;
- Dispersal of connecting households, the loss or the disruption/severance of existing kinship ties;
- Fracturing of social community bonds and networks;
- Impacts of relocation on religious activities, culture, and traditional value
- Locations where they will be resettled, whether they will be accepted by host communities, and social security in the relocation area; and

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<sup>3</sup> IPDP: pp. 32, 36 & 41.

<sup>4</sup> IPDP: pp. 36 & 42-45

- Destruction or relocation of temples, churches, and graveyards.

**The following are additional concerns raised by a close analysis of the IPDP and two related project documents: The Public Consultation and Disclosure Plan and the most recent Draft Resettlement Plan**

**IV. EXCESSIVE DISPLACEMENT & VAGUE STATEMENTS REGARDING THE NUMBER OF INDIGENOUS PEOPLE TO BE EVICTED<sup>5</sup>**

- According to the IPDP, the Phulbari Coal Project will displace a minimum of 2,328 indigenous people in 529 households from 23 villages;
- An additional 110 indigenous households from seven villages “could be” displaced by realignment of rail lines & roadways;
- “Other indigenous households” may be displaced “by further coal development and/or acting as a host resettlement area”, and;
- Indigenous households may be displaced by a western extension of the town of Phulbari “although numbers are likely to be few.”
- In contrast, Bangladesh’s National Indigenous Union (*Jatiya Adivasi Parisad or JAP*) estimates that the project would displace or impoverish 50,000 indigenous people.<sup>6</sup>

**V. DENIALS OF INDIGENOUS STATUS BY GCM/ASIA ENERGY & THE GOVERNMENT OF BANGLADESH**

- One factor contributing to lower estimates of the number of indigenous people to be displaced is the denial of the indigenous status of an unknown number of project-affected people.
- Section 3.2 of the IPDP, “Indigenous Groups in the Project Area,” states that 7.3% of all households to be displaced are indigenous. However, a footnote reveals that this estimate excludes households from groups that “are more appropriately classified as ‘ethnic minority’ groups rather than ‘indigenous’, given their historic past, their social structure, religious practices and non-agricultural livelihoods.” (p. 28, FN 47).
- Groups thus excluded in estimates of the number of indigenous people include the Karmakar and the Horizon, both of whom self-identify as indigenous people.<sup>7</sup>
- The Karmakar are one of 45 indigenous groups recognized by Bangladesh Adivasi Forum, experts, and leaders of indigenous communities, and are one of 29 indigenous communities that had their official” recognition as indigenous people negated in a highly contested government gazette published in April of 2010.

<sup>5</sup> IPDP: pp. 7 & 35.

<sup>6</sup> Figures on overall displacement in the project are similarly disputed, and are summarized in IAP’s Phulbari Fact Sheet.

<sup>7</sup> See Draft of Country Technical Note on Indigenous Peoples’ Issues: Bangladesh, Raja Devashish Roy, International Fund for Agricultural Development & Asia Indigenous Peoples Pact, March 2010: pp. 23 & 27.

- In a letter to Bangladesh’s Ministry of Cultural Affairs protesting the gazette, Bangladesh Adivasi Forum General Secretary Sanjeeb Drong stated “We won't accept the gazette as it failed to preserve the rights of the indigenous communities,” and estimated the gazette excluded over half a million people indigenous people.<sup>8</sup>
- Such denials of indigenous identity are frequently employed by states and investors alike to elide rights granted to indigenous groups in international conventions and instruments developed by the UN, EU, ICO, WBG and the ADB, including their right to traditional territories.
- The denial of indigenous status for Karmakar and Horizon households means they will be effectively excluded from any provisions made for indigenous people who do not hold formal title deeds – provisions which, the IPDP makes clear<sup>9</sup>, will be required.
- The threat to indigenous land rights is high in light of Bangladesh’s history in this regard, the 2010 gazette, and a recent assertion by the GOB’s delegate to the 1<sup>0th</sup> session of the United Nations Permanent Forum on Indigenous Issues that “Bangladesh does not have any 'indigenous' population [...]”<sup>10</sup>
- The removal of indigenous people from their customary lands to make way for the Phulbari Coal Project would continue an historical pattern of disregard for indigenous land rights in Bangladesh.
- As the IPDP makes clear<sup>11</sup>, the greater incidence of landlessness and the disadvantaged status of Bangladesh’s indigenous groups can be traced to the abolition of scheduled areas during the British colonial period and the continuing transfer of their lands to others since that time - a process which, it notes, has intensified over the past 30 years.

## VI. LANDLESSNESS & LOSS OF LIVELIHOODS

Despite the critical importance of land-based livelihoods for indigenous people to be evicted and their strong preferences for replacement land in restoring livelihoods and selecting resettlement sites, (detailed below) compensation to those displaced **will NOT include cultivation land.**<sup>12</sup>

- The project’s draft Resettlement Plan flatly states: “**most displaced households will become landless.**”<sup>13</sup>

<sup>8</sup> Cited in “[Most indigenous communities unrecognized: Only 27 on official list](#),” Rakib Ahammed, *The Daily Star*, July 31, 2010.

<sup>9</sup> IPDP: p. 62.

<sup>10</sup> See “[Bangladesh says has no 'indigenous \[sic\] population'](#),” Maktasree Chakma Sathi, *New Age Daily*, May 27, 2011; “[We have no indigenous population, Bangladesh tells UN](#),” *Mangalorean.com*, May 27, 2011; and “[Define terms minorities, indigenous](#),” Probir Kumar Sarker, *bdnews24.com*, May 27, 2011.

<sup>11</sup> IPDP: pp. 26 & 27.

<sup>12</sup> IPDP: pp. 11 & 12.

<sup>13</sup> Resettlement Plan for Asia Energy’s Phulbari Coal Project, Asia Energy (2007: Executive Summary, p. 11 and Chapter. 7 p. 11). This document is hereafter referenced as Asia Energy (2007).

- The lack of land-for-land compensation in the Phulbari Coal Project **violates the United Nations Basic Principles and Guidelines on Development-based Evictions and Displacement**, which clearly states that:  
*Cash compensation should under no circumstances replace real compensation in the form of land and common property resources. Where land has been taken, the evicted should be compensated with land commensurate in quality, size and value or better.*<sup>14</sup>
- **94.1 % of all affected indigenous households identified “purchase replacement cultivation land” as their preference for livelihood restoration and proximity to an area where agricultural production can be re-established as the most important priority in selecting a resettlement site.**<sup>15</sup>
- A Resettlement Survey showed that 86% of all affected indigenous households own their homestead land, and 62.5% reported owning cultivation land.<sup>16</sup>
- Agricultural wage labor is the primary source of income for indigenous households, followed by other land-based activities including sale of livestock & livestock products, agricultural products, and tree/forest products.<sup>17</sup>
- Due to the lack of any information on current patterns of land use in either of the two proposed resettlement sites for indigenous people, it is unclear if either site has any agricultural land available for purchase, leasing or sharecropping.<sup>18</sup>
- Although elevation and location protect lands in Phulbari from the flooding that regularly wipes out crops in other regions of Bangladesh, this is identified as a “secondary” criteria for Asia Energy in selecting resettlement sites. Of the two proposed sites for indigenous people, one is identified as “potentially flood-free” and the description of the other fails to mention flood-potential at all.<sup>19</sup>

## VII. IMPOVERISHMENT & INCREASED FOOD INSECURITY

- The failure to offer land-for-land compensation for cultivation lands to be acquired for the project evinces a reckless disregard for the large body of research which shows that reliance on cash-compensation alone in projects that displace people with land-based livelihoods leaves them impoverished
- The project would destroy nearly 12,000 hectares of Bangladesh’s most fertile farmland in an area that is uniquely protected from the floods that regularly wipe out crops at lower elevations. Despite the planned destruction of farmlands, orchards, fishponds and other resources that are critical to the sustenance of indigenous households, the IPDP fails to address impacts on food security or measure to ensure that the project does not increase hunger in a country in which nearly half of all people exist below the nutrition poverty line.

<sup>14</sup> UN Basic Principles and Guidelines on Development-based Displacement and Evictions, A/HRC/4/18 (2007), para.60.

<sup>15</sup> IPDP: Table 10, p. 44 & Table 11, p. 48.

<sup>16</sup> IPDP: p. 39.

<sup>17</sup> IPDP: pp. 39 & 40.

<sup>18</sup> IPDP: pp. 10 & 48.

<sup>19</sup> IPDP: pp. 10 & 48.

## VIII. INADEQUATE CONSULTATION WITH INDIGENOUS PEOPLE

- Asia Energy's "Public Consultation and Disclosure Plan for the Phulbari Project" states: "consultation with stakeholders is an ongoing process, and will continue to be conducted throughout the Project cycle, forming a key component of design, development, implementation and operation of the Project."<sup>20</sup>
- The PCDP states that focus group discussions have been held with various categories of people within the Project, **with an emphasis on vulnerable and special interest groups, including indigenous groups.**<sup>21</sup>
- While both statements immediately above show that Asia Energy is aware of the critical importance of meaningful consultation and participation by indigenous people in projects with significant adverse impacts, **actual consultation with affected indigenous people has been grossly inadequate.**
- **Although GCM initiated planning for this project over six years ago and had recently resumed aggressive efforts to gain government approval to move the project forward, consultation has been limited to a total of five "Group/ Individual" meetings convened between May and July of 2005 and one Ward Level Consultation Meeting" on January 30, 2005 in which "more than 80% of the participants were from an indigenous group".**<sup>22</sup>
- **Documentation of these consultations with indigenous people is also grossly inadequate.** Although these five meetings are listed in the IPDP and an Appendix to the Public Consultation and Disclosure Plan (PCDP) neither document specifies the format, agenda, or duration of the meeting, how many people participated, or any of the participant's names, titles, offices, or gender for group meetings. Meetings are simply listed as "Group/ Individual," and location is limited to village name and the union in which it is located.<sup>23</sup>
- Although indigenous people to be displaced live in at least five administrative unions, **all meetings were convened in a single union.**<sup>24</sup>
- Although indigenous people from the Mahili are among those to be displaced, the IPDP **does not record a single meeting with members of the Mahili community.**
- **GCM Resources has failed to consult with local stakeholders for five and a half years, while continuing its efforts to force the project forward.**
- This failure to communicate with project-affected people is expressly acknowledged in a letter from GCM Resources' Chief Executive, Steve Bywater, which states: "**our communication and consultation process in the project area was interrupted" in 2006, due to political instability and protests in the project area.** The letter, dated March 10, 2010, adds that it will restart consultations

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<sup>20</sup>"Phulbari Coal Project: Public Consultation and Disclosure Plan, Final Report," Section 1 of Volume 4 of the Environmental & Social Impact Assessment (ESIA) of Asia Energy's Phulbari Coal Project prepared by SMEC Australia Pty Ltd, North Sydney (April 2006: p. 36). This document is hereafter referenced as PCDP.

<sup>21</sup> PCDP: p. 22.

<sup>22</sup> IPDP: Table 2, p. 20 and pp. 17, 19 & 47.

<sup>23</sup> PCDP: Appendix A: pp. 1-8.

<sup>24</sup> IPDP: Table 5, p. 34; Table 6, p. 35; & p. 36.

with local stakeholders once project approval is granted. GCM is still awaiting project approval, which means that **consultations have now been stalled for more than five years.**

- The methodology for the IDPD included a Resettlement Survey (RS) designed to determine the number of indigenous households to be displaced, elicit relocation and resettlement preferences, and gauge support for the project **However, the Resettlement Survey was suspended just one month after it was initiated in February of 2005, with no reason given in the IPDP.** Although the survey was designed to include a total of 12,779 households, nearly 4,000 (3,910) households had not been interviewed when it was suspended in March of 2006.<sup>25</sup>

## IX. UNFOUNDED CLAIMS OF SUPPORT FROM INDIGENOUS COMMUNITIES

- The IPDP states: “Despite the question and concerns that have been raised during the consultation process, indigenous people have appeared supportive of the Project, participating in the consultation process through attendance at meetings and responding to the various surveys”.<sup>26</sup>
- This is a very questionable claim. Attendance at meetings and responding to surveys cannot be equated with support for the project, particularly in light of the very detailed and grave concerns about the project expressed by indigenous people and summarized above. Moreover, people attending meetings are a self-selected group and, as such, are not representative of all affected indigenous people. Survey respondents may use the survey to express their opposition and concerns rather than support for the project.
- The claim of community support, including support from indigenous people, is contradicted by massive demonstrations against the project which began in 2006 and continue through today, the ongoing participation of indigenous people in these protests, and the fact that Bangladesh’s Indigenous Union (*Jatiya Adivasi Parisad*) issued an appeal to Cultural Survival for their support in halting the project in December of 2011 and worked with Cultural Survival to prepare an international [Global Response campaign on Phulbari](#).
- **The IPDP acknowledges growing opposition to the project over time**, stating that “Project-affected people, including indigenous groups, although showing concerns around certain issues, initially appeared supportive”, but adding that “More recently, discontent around the Project has become evident,” and, therefore, “the Project will require ongoing consultation and disclosure.”<sup>27</sup>

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<sup>25</sup> IPDP: p. 19, FN12; p. 34, FN 54; & pp. 45 & 62.

<sup>26</sup> Asia Energy (2007: p. 45).

<sup>27</sup> IPDP: p. 62.

## **X. UNDERMINING TRADITIONAL POLITICAL LEADERS & SYSTEMS, DESTRUCTION OF GRAVES & RELIGIOUS SITES, AND VIOLATIONS OF CULTURAL PRACTICES & VALUES**

- There are at least 166 religious sites, 718 graveyards, and two “ancient” archaeological sites within the project area.<sup>28</sup> The IPDP identifies the destruction or relocation of churches, temples, and graveyards as “a major concern of indigenous groups” and states that graveyards will be replaced “in accordance with religious norms and custom” and graves will be interred “following religious practice.”<sup>29</sup>
- Such assurances are meaningless because existing religious and cultural norms do not allow for the destruction of religious sites or the disinterment of bodies from existing graves.
- The Strategy for Local Participation outlined in the IPDP threatens to undermine traditional forms of leadership. Plans to create Local Liaison Forums and a Resettlement Steering Committee explicitly stating that these decision-making and supervisory bodies “may or may not directly include” traditional Indigenous leaders.<sup>30</sup>

## **XI. INADEQUATE PLANS FOR IMPROVING LIVELIHOODS & PROVIDING ESSENTIAL SERVICES**

- Measures for restoring or improving livelihoods are extremely vague and fail to address the fact that indigenous households expressed a strong preference for land-based skill and training to restore their livelihoods but will not receive replacement lands.<sup>31</sup>
- Due to the lack of data on income-earning activities or market demand in either of the two regions proposed as resettlement sites for indigenous people, it is unclear what opportunities for new wage labor exist or how displaced people will be absorbed into labor markets. This is a significant omission in light of the fact the draft Resettlement Plan for the project estimates that only 100-150 of some 50,000 households to be displaced will secure permanent jobs at the mine.<sup>32</sup>
- Although formal land acquisition will take place at once through a single notification process, resettlement will take place in phases and indigenous people will be resettled over a period of at least 8 years.<sup>33</sup> Given this phased resettlement, it is unclear how training for new economic activities or social services and water supply will be delivered to affected households.

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<sup>28</sup> Asia Energy (2007: Chap. 4 pp. 42-46).

<sup>29</sup> IPDP: p. 44.

<sup>30</sup> IPDP: pp. 13 & 64.

<sup>31</sup> IPDP: pp. 52-55.

<sup>32</sup> Asia Energy (2007: Chapter 10, p. 10; & Table 10-13, Chapter 10, p. 11).

<sup>33</sup> IPDP: pp. 7, 35 & 36.



## **XII. SHIFTING RESPONSIBILITY FOR IMPROVING LIVELIHOODS & GENERATING EMPLOYMENT TO NGOs**

- The IPDP repeatedly states that local NGOs “will be required” to play a key role in providing jobs and training to restore incomes.<sup>34</sup>
- Despite the critical importance of the tasks that NGOs are expected to assume, their willingness or capacity to take responsibility for skills training for alternative livelihoods, or for generating jobs for tens of thousands of displaced people whose land-based livelihoods would be destroyed is largely assumed rather than assessed.
- Actual outreach to NGOs “to gauge their capabilities and prospects for support” has been limited to a small handful of meetings. Prospects for actually securing NGO support are couched in highly tentative language and outreach to do so has been deferred: “NGOs presently operating in the area, or with potential for Project implementation, would need to be approached to become involved in the Project”.<sup>35</sup>
- Assumptions regarding NGOs capacity to play their assumed role in providing jobs and new livelihoods for tens of thousands of displaced households appear dubious at best in light of the fact the Bangladesh is one of the world’s most economically poor and densely populated countries.

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<sup>34</sup> IPDP: pp. 53-55, 58 & 65.

<sup>35</sup> IPDP: p. 61. For statements emphasizing the need or “requirement” for NGO support, yet deferring outreach to NGOs, see pp. 14, 19, 58 & 61-63.