

Rampal coal power plant Bangladesh

Sectors: Coal Electric Power Generation

Active

This profile is actively maintained

Send [feedback](#) on this profile

Created before Nov 2016

Last update: **Jul 2 2020**

Contact:

climate@banktrack.org

[Project website](#)

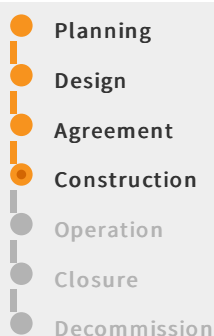
Status



Sectors Coal Electric Power Generation

Location

Status



Website <http://bifpcl.com/>

About Rampal coal power plant

The Sundarbans, the largest mangrove forest in the world, is a living and effective natural fence protecting the coastal belt areas of Bangladesh, as well as a UNESCO World Heritage Site. It has saved the people of Bangladesh from the devastation of cyclones, and also offers various sources of livelihood to more than 500,000 local inhabitants. The Sundarbans is also home to endangered dolphins, Bengal tigers and rich biodiversity.

The Sundarbans is now at the risk of destruction because the Bangladeshi government is moving ahead with the development of a coal power plant at Rampal with a capacity of 1,320MW of electricity. The plant will be located only 14 kilometers away from the Sundarbans Reserve Forest, and will cover 1,834 acres of land. The government has judged the project location as a 'safe' distance from the mangrove forest.

This large coal power plant will be installed by a joint venture comprising National Thermal Power Company (NTPC) of India and the Bangladesh Power Development Board (BPDB). The joint venture company, Bangladesh-India Friendship Power Company (BIFPCL), has appointed the Indian company Bharat Heavy Electricals (BHEL) to construct the coal power plant. Financial closure was reached in 2017: debt financing for the power plant is provided by the Indian Export-Import Bank.

Latest developments

Human Rights Watch: Bangladesh coal plants threaten world's largest mangrove forest

Jun 18 2020

National Committee demands cancellation of Rampal project

Jun 14 2020

Why this profile?

The Rampal coal power plant, also known as the Maitree Super Thermal Power Project, is a heavily opposed project that threatens the livelihoods of over two million inhabitants that are dependent upon the Sundarbans forest's resources. People living around the forest depend on the forest's resources to fulfil their basic needs, while others use them to earn a living. The power plant also threatens the rich biodiversity of the Sundarbans. If the power plant becomes operational, the Sundarbans' ecosystem will be permanently affected and life in the forests will be confronted with destruction. Once operationalised, the coal power plant will emit around 8 million tonnes of CO₂ each year, contributing massively to global warming.

What must happen

Financiers should refuse to finance this project and rule out involvement in financing or support of any kind for the Rampal coal power plant.

Impacts

Social and human rights impacts

The proposed 1,320MW power plant project (consisting of two generating units of 660MW) will cause irreparable damage to the livelihoods of [two million inhabitants](#) dependent on the Sundarbans; most rely on agriculture, shrimp cultivation, and fishing but also wood, and palm collecting. All these livelihoods are at risk as the support infrastructure of the Rampal power plant has already been built.

The most deadly impact will be on [fisheries](#). The plant will discharge toxic water in the Passur River, and oil and chemical wastes from coal-carrying vessels will also contaminate the water. The mangrove-supported habitat will also suffer, and shrimp farms and homestead fishponds will be no exception.

In total, 95 percent of the land acquired is agricultural land. The [production of crops](#) will decrease since fertility will reduce drastically as a result of coal related pollution from the very beginning of the plant's operation. The air, odour and sound pollution will affect local inhabitants and cattle so badly that it will be barely possible for people to live and cultivate. Inhabitants' health is also likely to deteriorate.

The power plant will [reduce the livestock](#) grazing area, and waste from coal such as fly ashes and bottom ashes will contaminate air and water. This will make livestock vulnerable to diseases and will also affect the income level of households and farms.

The damage caused by installing an industrial site so close to the Sundarbans will leave the south-western coast of Bangladesh [vulnerable to storms, cyclones, and other natural disasters](#).

Rampal Power Plant that officially covers 1,834 acres of land has put the livelihood of [two million](#) inhabitants under threat as the infrastructure has already been built. These local people were mostly dependent on agriculture and shrimp cultivation. The concerned authorities of the government of Bangladesh also displaced the local inhabitants in an improper and dubious manner. The land necessary for the proposed power plant project was acquired before the Department of Environment (DoE) granted a site clearance previous to an Environmental Impact Assessment (EIA).

The government displaced local people, in many cases, without previous and informed consent from communities. Similarly, it remains unclear how compensation to land owners was handled. The documentary, [Long Live the Sundarbans](#), covers the Long March and depicts human rights violations that took place in the Rampal area. South Asians for Human Rights (SAHR) conducted a [fact finding mission](#) focusing on the process of land acquisition while Transparency International Bangladesh [reported](#) instances of corruption and human rights violation.

In the rural society of Bangladesh, women are the main agents for ensuring long-term survival and bondage of a family. They are also the major bread earners of many families. As the livelihood or home of a family gets threatened, women become the first victims to suffer and struggle to keep their families go on.

Environmental and climate impacts

The importance and vulnerability of the Sundarbans is often contrasted with the [extensive destruction](#) which the Rampal power plant would bring about. According to Dr. Abdullah Harun Chowdhury and his team, the impacts of the Rampal 2x660 MW coal power plant are mostly negative and irreversible.

The research shows that climate, topography, land use pattern, air and water (both surface and ground) quality, wetlands, floral and faunal diversity, capture fisheries and tourism will be affected permanently due to the proposed coal fired power plant. Increase in water logging conditions, river erosion, noise pollution and health hazards; decrease of ground water table; loss of culture fisheries, social forestry and major destruction of agriculture will be the expected consequences of the Rampal coal-fired power plant.

Once the plant is in operation, it will burn [4.7 million tonnes of coal](#), emitting [7.9 million tonnes of carbon dioxide](#) and other hazardous gases that will be dispersed into the air. Reportedly, [220 tonnes](#) of different toxic gases will be discharged daily from the plant unless they are treated appropriately

before emission. These gases will be spread out by wind and affect communities, trees, animals, soil and livestock. Heavy metals resulting from coal burning will be kept in a [100 acre coal ash pond](#), containing toxic sludge located close to the Passur river, a cyclone and flood prone area.

The plant will require 9,150 cubic metres of water per hour from the Passur River for its operation. According to the official Environmental Impact Assessment (EIA) report, [5,150 cubic metre of hot water](#) will be discharged every hour, daily, for the next 25 years into the Passur river. The toxic discharged water will have a destructive effect on the fisheries, shrimp farms, and mangrove-supported habitat.

This project would require [13,000 tonnes of coal on a daily basis](#), navigational vessels will travel up and down the Passur river daily to deliver the required coal volumes. In December 2014, an oil tanker sank spilling over [350 tonnes](#) of furnace oil into the Shela river: [locals were compelled to clean up](#) given the lack of capacity to tackle oil spills. Less than six months later, in May 2015 a vessel sank in the Bhola river spreading [500 tonnes](#) of toxic fertilizer. Less than half a year later, in October 2015, another vessel carrying [510 tonnes](#) of coal capsized in the Passur rivers. The latest incident took place on March 19 2016, when a cargo vessel carrying [1,235 tonnes](#) of coal capsized in the Shela river at the Chandpai Range.

These cases are a strong reminder of the accidents that could occur once coal is transported daily to reach the Rampal site. Equally, extensive [dredging](#) needs to take place along the Passur river to allow vessels to navigate. These will most certainly harm the fragile ecosystem of the Sundarbans. And thus the people, the tigers, the dolphins, the turtles, the fish, the mangrove and the innumerable crucial organisms that keep the Sundarbans alive.

The coal plant would have consequences on its surroundings but also on the global climate. Not only would it burn a large amount of coal, it is likely to reduce the mangrove forest and coastal wetland, both of which may be able to store [up to five times](#) more carbon than tropical forests of the same size. Such extensive impacts on the Sundarbans would represent a huge loss for the world.

Other impacts

Indian company NTPC's involvement in this power plant project in Bangladesh is more motivated by commercial interest than by the legal and ethical guidelines it is supposed to follow when implementing such projects in India. According to the guidelines of the [Indian Environment and Forest Ministry](#), it is not permitted to set up any such plant within a 25 km vicinity of any protected forest.

In Bangladesh, the government persistently endorses the Rampal power plant as if there was no other option than building the Rampal plant just beside the Sundarbans. No alternatives are put forward to mitigate the power crisis.

There is a great imbalance regarding the [gains and losses](#) that the Rampal project brings. The Bangladeshi cost of environmental degradation and loss of livelihoods will not necessarily be made even by a country-wide economic gain. Eventually if we want to see who is going to benefit from the economic growth, it is only those who can afford to pay for electricity.

A BankTrack analysis in 2015 concluded that the Rampal coal plant is [non-compliant](#) with the Equator Principles.

Governance

Applicable norms and standards

Bangladesh Wild Life Preservation Act

Constitution of Bangladesh

Convention on Wetlands of International Importance

Equator Principles

Policy, Law and Administration for Protected Area Management in Bangladesh

Ramsar Convention

Technical EIA Guidance Manual for Thermal Power Plants

UNESCO World Heritage Convention

Updates

Human Rights Watch: Bangladesh coal plants threaten world's largest mangrove forest

Jun 18 2020

On June 18 2020, Human Rights Watch stated in a press release that the coal plants currently under construction in Bangladesh will threaten the Sundarbans. Its press release comes just after Cyclone Amphan made landfall on the India-Bangladesh coast. The cyclone was the most powerful to strike the Bay of Bengal in 20 years. The cyclone ripped off roofs, washed away homes and flooded farms. Besides a robust emergency response system mitigating impacts, coastal communities were protected by the country's natural storm shield: the Sundarbans. The Human Rights Watch calls upon the government of Bangladesh to act swiftly to protect the mangroves. If it will not, it risks making the climate crisis worse while being faced with extreme weather events without having its natural defense system. Read the press release [here](#).

National Committee demands cancellation of Rampal project

Jun 14 2020

The National Committee to Protect Oil-Gas, Mineral Resources and Power-Port recently demanded a cancellation of the Rampal project. Combined with other demands, such as ensuring healthcare service and food security for all as well as the cancellation of the Rooppur nuclear project, the committee placed a 6-point demand during an online press conference. A Member Secretary of the Committee said that the committee will organise a global solidarity meeting on July 4 involving experts and expatriate Bangladeshis over their demands. Read more [here](#).

Indian workers at the Rampal power plant stage demonstration

May 17 2020

On May 17th, 400 Indian workers at the Rampal power plant staged a [demonstration](#) to return to their homeland. The workers could not return to India as they could not renew their passports because of the countrywide shutdown. Besides that, the workers said they are deprived of decent food and they were not paid in full.

UNESCO meeting: Sundarbans not on list of world heritage sites in danger

Jul 4 2019

During the UNESCO world heritage committee meeting on July 4, 2019, it was decided that the Sundarbans were not to be included on the list of world heritage sites in danger. China, backed by Cuba and Bosnia and Herzegovina, placed a [new proposal](#) to keep the largest mangrove forest from the list while deleting any mention of Chinese-financed coal projects nearby the Sundarbans from the draft text. In an earlier draft, the committee stated it regretted the construction of the Rampal power plant and also expressed its concern about the proposed projects at Taltoli and Kolopara. These texts were removed by the [Chinese amendment](#). The final text that was agreed upon unanimously by the committee only included a note that large scale industrial projects likely have environmental impacts and asked Bangladesh to take all necessary mitigation measures.

BIFPCL taking bids for coal delivery

Jun 8 2019

In June 2019, BIFPCL began taking bids for coal delivery for the power plant. It was [reported](#) that coal will be coming from [Indonesia, South Africa and Australia](#).

Construction progress and fatal incidents

Jun 8 2019

In April 2017, it was [reported](#) that the construction of the Rampal power plant started. The project timeframe was is at [41 months](#).

In March 2018, work progress was reported to be just 5% and the plant was planned to be in operation in [2022](#).

In September 2018, a [17-year-old worker](#) was electrocuted at the construction site.

In March 2019, [two workers](#) were killed at the construction site.

Ex-Im Bank extends a term loan of USD 1.6 billion to the Bangladesh India Friendship Power Company Pvt. Ltd.. (BIFPCL)

Apr 11 2017

Export-Import Bank of India has extended a term loan of USD 1.6 billion to the Bangladesh India Friendship Power Company Pvt. Ltd. [BIFPCL, a 50:50 joint venture between the Bangladesh Power Development Board, Bangladesh and NTPC Ltd., India] for financing the 1,320 MW [2*660 MW] ultra-super-critical Maitree Super Thermal Power Project on Turnkey Basis at Rampal, District-Bagerhat, Bangladesh.

Bharat Heavy Electrical Ltd. signed EPC contract

Jul 18 2016

The Indian company won the bid to construct the Rampal power plant back in [January 2016](#), but did not accept the initial contract. BHEL's demand for a tax exemption contract caused friction among Bangladeshi institutions and lasted close to half a year. On [July 13th](#), BIFPCL and BHEL signed the engineering, procurement and construction (EPC) contract. Activists in Bangladesh responded questioning whose interest are really being served, they held mobilisations and called for a referendum on the construction of the plant. The issue was picked up [internationally](#).

Report on financial risks of Rampal project

Jun 22 2016

On the 17th of June, the Institute for Energy Economics and Financial Analysis (IEEFA) launched a [report](#) outlining the numerous financial risks the Rampal project will bring to all stakeholders involved. The report was widely covered, and raised the numerous threats the Rampal plant brings. The head of Ex-Im Bank of India admitted that they "[might take a reputation risk](#)".

Global call on Ex-Im Bank of India to stop finance plans for Rampal

May 9 2016

A [global coalition](#) including BankTrack, Greenpeace International, 350.org, Rainforest Action Network, and Indian and Bangladeshi civil society groups today issued an urgent appeal to the Export-Import Bank of India to [abandon its plans](#) to finance the construction of the Rampal coal power plant in Bangladesh and save the world-renowned Sundarbans wetlands from destruction.

BHEL started work before signing EPC contract

Apr 26 2016

The EPC (Engineering, Procurement and Construction) contract is likely to be signed in [the month of April](#), formally making Indian BHEL the building company. According to the [Daily Sun](#), BHEL has already started their work before signing the contract.

UNESCO report may not be accurate

Apr 3 2016

The UNESCO team toured Bangladesh, including the Sundarbans, from March 22-28. Their tour was scheduled by the government. In those days the three members of the mission did not meet any of the groups opposing the Rampal power plant and the industrialisation of the Sundarbans. Expectations are that the report will be [one-sided](#).

Fourth vessel sinks spreading additional toxic pollutants in Sundarbans rivers

Mar 19 2016

The [Sea Horse](#), a large bulk cargo vessel carrying 1,245 metric tons of coal, sank in the Shela River in the Sundarbans. This marks the fourth incident in two years. An [oil tanker](#) carrying 350,000 litres of furnace oil sunk in that same river in December 2014. Poor response from government saw villagers cleaning the mess. Two other vessels spread [coal](#) and [toxic fertilizer](#) in other parts of the forest. This marks how ill-prepared the authorities are, the Sea horse vessel remains at the bottom of the Shela river for more than 40 days until [salvage operation](#) starts.

Thousands take part in Long March to Save the Sundarbans

Mar 15 2016

From 10-13 March, [thousands have joined](#) a march from Dhaka to Khulna to Save the Sundarbans. A large number of civil society groups, students, unions, an [Indian solidarity group](#) and people from all paths of life voiced that there is [no alternative](#) to the Sundarbans. This sign of protest against industrialisation of the largest mangrove forest was [captured](#) by numerous local and international media outlets (see [News](#) section).

Indian Ex-Im bank to finance Rampal

Mar 10 2016

Indian Export-Import Bank is in the process of extending a Buyer's Credit of USD 1.6 billion to BIFCPL for financing the 1,320 MW Maitree Super Thermal Power Project in Bangladesh.

Demand for a UN-led committee to conduct EIA

Feb 14 2016

The National Committee to Protect Sundarbans demanded suspension of all development activities of Rampal power plant and the adjacent private [Orion](#) power plant until a fresh environment impact assessment (EIA) is done by a [United Nations-led neutral team](#).

Indian BHEL to operate Rampal

Jan 18 2016

Out of the three bidders, [BHEL was formally announced as the operating company](#). This means it will have to arrange finance with Indian Ex-Im Bank, the national Export Credit Agency.

Coal vessel capsizes in Passur river

Oct 28 2015

A vessel carrying 510 tons of coal capsized in the Passur river, by the Sundarbans. A forest officer said the [coal might harm the ecosystem of the Sundarbans](#).

Bangladeshi protest intensifies against Rampal coal plant

Oct 23 2015

A number of leaders and activists face violence during the '[Dhaka-Sunderbans road march](#)' rally on the 16th and 17th October. Participants signalled that [protest will intensify](#) if the government does not stop the planned coal power plant.

Three bidders for Rampal

Sep 23 2015

There are currently three [bidders](#) for the Rampal project:

- Consortium of Marubeni Corporation of Japan and Larsen & Toubro Ltd of India;
 - Consortium of Harbin Electric International Company Ltd of China, ALSTOM of France and Jiangsu Etern Company Ltd of China;
 - Bharat Heavy Electricals Ltd (BHEL), India.
-

French banks say no to Rampal

Jun 25 2015

Crédit Agricole, Société Générale and BNP Paribas have said no to the Rampal coal power plant project in Bangladesh, reveals [the Guardian](#).

Narendra Modi endorses Rampal coal plant

Jun 8 2015

During his visit to Bangladesh, Indian prime minister [Narendra Modi endorsed](#) the Rampal plans, assuring support and cooperation. Modi and Sheikh Hasina gave the green light on behalf of India and Bangladesh.

Sunken vessel spreads fertiliser through Sundarbans' rivers

May 9 2015

The cargo vessel - 'Jabalenoor' - was carrying about [200 tonnes of potash fertiliser](#), giving the rivers a red hue as it dissolves through the mangrove forest. Only six months after a tanker spilled oil in these rivers, the incident sheds light on the urgent necessity for putting a complete ban on plying of cargo vessels through endangered forests.

Norwegian Pension Fund will not fund Rampal

Mar 16 2015

After thorough study of the Rampal project the Norwegian Government Pension Fund Global reached the conclusion that [the environmental damages are unacceptable](#). As a result of its coal divestment measure, the fund [dropped NTPC](#) among other Indian companies from its portfolio.

Oil spill in the Sundarbans

Dec 12 2014

On 9th of December an oil tanker partly sank [spilling oil over 60 km in the Sundarbans](#). The accident occurred inside one of three sanctuaries set up for endangered Irrawadi and Ganges dolphins. This spill will gravely affect a delicate and unique ecosystem. Bangladesh officials called it an "ecological catastrophe", the Wildlife Conservation Society representative thinks of it more as a "national disaster".

Meanwhile the efforts to build the [Rampal coal power plant](#) go on, with plans to use these same rivers to carry coal upstream to the plant.

UNESCO concern

Jun 18 2014

UNESCO published a [State of Conservation report](#) on Sundarbans and expressed its concern on the Rampal coal power plant project.

The Long March to Save the Sundarbans

Oct 24 2013

[The National Committee to Protect Oil, Gas and Mineral Resources, Power and Ports](#) organised a five-day, 400-kilometre march from [Dhaka to Rampal](#). Many groups and thousands of people joined, all walking to [save the Sundarbans](#): to stop the Rampal coal-fired power plant and all activities that would destroy the Sundarbans.

Financiers

The costs for the coal power plant in Rampal are USD 2 billion. According to IJGlobal, the project has a debt-equity ratio of 80:20.

The two companies BPDB and NTCP have equal share of ownership of the BIFPCL commercial joint venture, and equally provide 20% equity for this project (together USD 400 million).

The remaining debt of 80% is provided by Indian Export-Import Bank: the Indian Export Credit Agency finances the project with USD 1.6 billion.

The Bangladeshi government issued a [sovereign guarantee](#) amounting to 70% of the project cost. In order to assure returned investment to overseas lending groups. Additionally, the joint venture company will enjoy a [15-year tax holiday](#).

The [World Bank and Asian Development Bank](#) declined to finance the project, so BIFPCL has decided to take Export Credit Agency (ECA) loans which involve high interest rates.

Previously, three French banks, Crédit Agricole, BNP Paribas and Société Générale, said they [would not invest](#) in the plant, after it was found that the proposed project failed to meet minimum environmental and social standards.

Related companies

Bangladesh-India Friendship Power Company Limited Bangladesh [show profile](#)

Coal Electric Power Generation

Joint venture made of state owned electricity provider from Bangladesh (Bangladesh Power Development Board) and from India (National Thermal Power Corporation). The split is 50:50 and both companies will provide the 20% equity (each partner providing half). BIFCPL is the project sponsor.

Bangladesh Power Development Board (BPDB) Bangladesh [show profile](#)

Nuclear Electric Power Generation | Electric Power Distribution | Coal Electric Power Generation

Implementing partner from Bangladesh, part of the Bangladesh India Friendship Power Company joint venture. The public sector organisation is responsible for major portion of generation and distribution of electricity in the country.

Bharat Heavy Electricals India

Constructing company.

National Thermal Power Corporation (NTPC) India [show profile](#)

Coal Electric Power Generation | Coal Mining | Hydroelectric Power Generation | Wind Electric Power Generation

Implementing partner from India, part of the Bangladesh India Friendship Power Company joint venture. The company will also operate the plant. Since the public sector operates most of the existing coal-fired power plants in India, NTPC is the largest power utility in India.

Price Waterhouse Coopers India

Contracted for providing solutions for long term coal sourcing, maritime transportation, transshipment, inland water transport and logistics.