

# Sengwa coal power plant Zimbabwe

**Sectors:** Coal Electric Power Generation

## Active

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Created on: Feb 3 2022

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## Contact:

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[Project website](#)

## Sectors

Coal Electric Power Generation

## Location



## Status

Planning Design Agreement Construction Operation Closure Decommission

## Website

[https://www.riozim.co.zw/?page\\_id=236](https://www.riozim.co.zw/?page_id=236)

In northern Zimbabwe's Gokwe South Rural District, the Zimbabwean mining company RioZim has proposed the Sengwa coal power plant. The facility will use the RioZim-owned Sengwa Colliery's reserves, which are estimated at 538 million tonnes. The power plant was [first proposed in 1997](#) by the Zimbabwean government but until now has been unable to take off due to a lack of investment. Additional new infrastructure includes a power line and a 250-kilometre water pipeline from Lake Kariba to Sengwa. [Construction costs are estimated at USD 3 billion](#) and the plant is expected to produce [2,800 megawatts of electricity](#).

## Impact on human rights and communities

**The displacement of thousands of local residents** to make way for the Sengwa coal plant is highly likely, based on precedents set by similar projects. For example, the [Hwange coal power plant expansion](#) in northwest Zimbabwe threatens to displace more than 880 families. The majority of households in the Sengwa project area rely on the local environment for a livelihood, be it farming or fishing. Typically, [the government does not consult with local communities](#) when embarking on mining projects and removes residents from construction paths by force.

**Health problems linked to air pollution** will impact the locality's remaining residents. As is the case for Hwange – not to mention countless other coal projects – the Sengwa coal plant is expected to release dozens of toxic substances into the air and water. In Hwange, [400 households in a plant-adjacent suburb require relocation](#) to avoid air pollution.

**Water shortages** are inevitable, because local sources are already only sufficient for agricultural and domestic purposes. [Gokwe is a dry area](#), characterised by high summer temperatures, intermittent rainfall and long periods of scorching heat. The community has had to adapt to water scarcity and employs strategies like dry planting and water harvesting, but it will be impossible to meet the power plant and mine's water needs too. RioZim's water pipeline proposal is designed to address this shortfall, but Lake Kariba already hosts a [hydropower energy project](#) and is [gradually losing water](#) to severe, long-term droughts.

## Impact on climate

**Zimbabwe's climate-related disasters will only worsen** as Sengwa's immense carbon reserves are released into the atmosphere. RioZim's facility will be Zimbabwe's largest coal-fired power plant and its greenhouse gas emissions will make a significant contribution to global heating. Climate change is already inflicting acute water shortages, [catastrophic floods](#) and extreme weather events upon Zimbabweans. In 2019, [Cyclone Idai](#) caused several deaths and destroyed many homes and livelihoods, before [Cyclone Ana](#) killed 32 people and damaged 282 houses in 2022.

According to the "[Zimbabwe Revised Nationally Determined Contribution](#)" 2021 report for the [United Nations Framework Convention on Climate Change](#), "the country is projected to experience a progressive reduction in precipitation, increase in temperatures, increasingly volatile weather events and less dependable seasons." Zimbabwe's women are suffering the most from these impacts, because they represent the majority of the agricultural workforce and are in charge of domestic work.

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## Impact on nature and environment

**A vast tract of land will be seized** for the Sengwa coal power plant, which has been estimated at 138 square kilometres (excluding land for the pipeline and power line). In its [2020 annual report](#), RioZim claimed to be concluding the Sengwa project's Environmental Impact Assessment, but as of August 2022 this had not materialised.

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### Bank policies Norms & standards

The following bank investment policies apply to this project:

#### Industrial and Commercial Bank of China (ICBC)

##### Guidelines on environmental information disclosure for financial institutions

Jul 22 2021 | [People's Bank of China](#)

*Bank policy*

##### Credit policies for domestic industries: mining, energy, oil & gas, transportation, biodiversity and agriculture

Page 12 of 2021 interim ESG report

Sep 17 2021 | [ICBC](#)

*Bank policy*

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2022



**2022**

### Apr 7 2022 | China U-turn leaves RioZim scrambling for Sengwa project backers

In keeping with [China's net-zero commitments](#), the country has [pulled out of financing](#) Zimbabwe's new Sengwa coal power plant. The Chinese banks ICBC and Minsheng were reportedly providing support, but it has been claimed that ICBC told an environmental NGO that it was pulling out of Sengwa in June 2021. The decision has left owner RioZim with few financing options.

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**2020**

### Apr 28 2020 | CGGC signs on to build Sengwa power station

China Energy Engineering Corporation subsidiary China Gezhouba Group Corporation (CGGC) has [signed a deal with RioZim](#) to build Phase One of the Sengwa coal power plant project, which will have a capacity of 700 megawatts.

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**2013**

### May 7 2013 | Debt problems worsen for RioZim

Later this month Rio Zimbabwe Limited (RioZim) will ask its shareholders to approve taking on [USD 17 million in debt above its borrowing limit](#). Already facing financial constraints stemming from a USD 91 million debt, the company is attempting to raise funds for the Sengwa coal plant.

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2011

## Mar 3 2011 | Sengwa coal power plant online by 2014

Rio Zimbabwe Limited (RioZim) MD Josphat Sachikonye has revealed that the Sengwa coal power plant project “[should have the first 600 megawatt unit on site by 2014](#)”.

The project has had a long gestation period: Zimbabwe granted a coal mining licence to Rio Tinto and RioZim’s Sengwa Colliery company in 1989 and a coal-fired power station was first proposed in 1997. Provisionally named the Gokwe North Power Station, the 1,400 megawatt project was not implemented due to unfavourable economic conditions. In 2010, the Zimbabwe Electricity Supply Authority granted an independent producer licence to RioZim, after the company proposed plans for a bigger, 2,000 megawatt power station.

## Financiers

In 2020, it was reported that the Industrial and Commercial Bank of China (ICBC) was [interested in providing finance](#) for the Sengwa project, but [ICBC withdrew its interest in June 2021](#). Citing greenhouse gas emissions targets, [China announced it would no longer finance foreign coal projects](#) in September 2021. By March 2022, RioZim had announced it was [still seeking financiers for Sengwa](#).

**Institution type** **Finance type** **Year** [Expand all details](#)

### Industrial and Commercial Bank of China (ICBC)

China

[Profile](#)

[Website](#)

[Details](#)

Type  
Amount  
Description  
Date  
Date end  
Source  
Approached, interested  
Not available  
Not available  
2020  
Not available  
source: Bloomberg  
[link](#)

## Related companies

### Project sponsor

**RioZim** Zimbabwe

A PHP Error was encountered

**Severity: Notice**

**Message: Undefined property: stdClass::\$sponsor\_comp**

**Filename: project/companies.php**

**Line Number: 10**

**Backtrace:**

**File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php**

**Line: 10**

**Function: \_error\_handler**

**File: /home/btwebhost/www/btci3/application/helpers/easy\_helper.php**

**Line: 366**

**Function: view**

**File: /home/btwebhost/www/btci3/application/views/sections/project/pdf.php**

**Line: 106**

**Function: lv**

**File: /home/btwebhost/www/btci3/application/libraries/sections/Dodgydeal.php**

**Line: 161**

**Function: view**

**File: /home/btwebhost/www/btci3/application/controllers/Main.php**

**Line: 318**

**Function: content**

**File: /home/btwebhost/www/btci3/index.php**

**Line: 321**

**Function: require\_once**

A PHP Error was encountered

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**Line: 318**

**Function: content**

**File:** /home/btwebhost/www/btci3/index.php

**Line:** 321

**Function:** require\_once

A PHP Error was encountered

**Severity:** Warning

**Message:** Invalid argument supplied for foreach()

**Filename:** project/companies.php

**Line Number:** 11

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Expand all details

A PHP Error was encountered

Severity: Notice

Message: Undefined property: stdClass::\$sponsor\_comp

Filename: project/companies.php

Line Number: 30

Backtrace:

File: /home/btwebhost/www/btci3/application/views/sections/project/companies.php

Line: 30

Function: \_error\_handler

File: /home/btwebhost/www/btci3/application/helpers/easy\_helper.php

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Function: require\_once

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Severity: Warning

Message: count(): Parameter must be an array or an object that implements Countable

Filename: project/companies.php

Line Number: 30

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