



7th of April, 2017

To:

Banks and Investors in NTPC and/or India Exim

CC:

Abdul Hamid, Honourable President of the People's Republic of Bangladesh; Shri Pranab Mukherjee, President of India; Sheikh Hasina, Honourable Prime Minister of the Government of the People's Republic of Bangladesh; Shri Narendra Modi, Prime Minister of India; Anwar Hossain, Minister of Environment and Forest, Bangladesh; Abdullah Al Islam Jacob, Deputy Minister of Environment and Forest, Bangladesh; Moshir Rahman Ranga, Minister of Rural Development & Co-operatives Division, Bangladesh; Nasrul Hamid, Minister of Power, Energy and Mineral Resources, Bangladesh; Md. Shahriar Alam, Minister of Foreign Affairs, Bangladesh; Anisul Islam Mahmud, Minister of Water Resources, Bangladesh; Muhammad Nazrul Islam, State Minister of Water Resources, India; Prakash Javadekar, Minister of State with Independent Charge for Environment, Forest and Climate Change, India; Piyush Goyal, Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines, India; Y S Chowdary, Minister of State for Science and Technology, Earth Science, India; Krishan Pal Gurjar, Minister of State for Social Justice and Empowerment, India; Vijay Sampla, Minister of State for Social Justice & Empowerment, India; Uma Bharti, Minister of Water Resources, River Development and Ganga Rejuvenation, India; Thaawar Chand Gehlot, Minister of Social Justice and Empowerment, India; Maneka Gandhi, Minister of Women and Child Development, India; Ravi Shankar Prasad, Minister of Law and Justice and Electronics and Information Technology, India; Arun Jaitley, Minister of Finance, Corporate Affairs, Information & Broadcasting, India; Anant Geete, Minister of Heavy Industries and Public Enterprises, India

Appeal signed by more than 70 NGOs: Divest from destructive Rampal coal business

Dear Investors,

We are writing to express our deep concern regarding the coal-fired power-plant at Rampal, Bangladesh, proposed by the Bangladesh India Friendship Power Company, just 10 km from the Sundarbans Reserve Forest. The plant would be co-managed by the National Thermal Power Corporation of India (NTPC) and debt financed by India's Export-Import Bank. The Sundarbans is the largest remaining mangrove forest in the world, with a total area of 10,000 km². It is a Ramsar-listed wetland and includes a UNESCO World Heritage Site. It is extremely biodiversity-rich, comprised of terrestrial, aquatic and marine habitats, and is of critical importance for globally endangered species including the Royal Bengal tiger and Ganges river dolphin. Given the short distance separating the planned power plant and the Sundarbans, the plant is directly endangering hundreds of thousands of local people living in the area, as well as the biodiversity of the mangrove forest. UNESCO's World Heritage Centre and the IUCN have already identified the four key main impacts related to the power plant's construction: pollution from coal ash by air, pollution from wastewater and waste ash, increased shipping and dredging, and the cumulative impact of industrial and related infrastructure. They recommend the immediate cancellation of the Rampal power plant project.¹

These are legitimate fears: during the last three years, three coal-carrying vessels sank in the Sundarbans. In December 2014, an oil tanker capsized, and the spilled oil spread to far corners of the forest with the flow of the Shela River. Plants and wildlife were seriously affected.² There is no doubt that the proposed Rampal power plant will have serious and irreversible impact on the ecology of the Sundarbans. Even modern technology cannot ensure that its pollution will not cause tremendous harm.

The planned coal power plant does not only threaten the unique biodiversity and ecosystem of the Sundarbans, but also the health and livelihoods of millions of local people. The Sundarbans is a critical source of traditional subsistence foods, medicines and building materials for local communities; as well as commercially valuable products of biodiversity, such as honey and fish; and ecotourism, that support many local livelihoods.³ Local people rely on agriculture and fishing for their survival and meager income. The proposed power plant will affect both the quality of soil and water, consequently diminishing the livelihood of the locals, as well as the area of arable land available. It will also gravely impact people's health, with the wind patterns which carrying sulphur dioxide, nitrogen

¹ IUCN & World Heritage Centre (2016). *Report on the mission to the Sundarbans world heritage site, Bangladesh, from 22 to 28 March 2016*; <http://whc.unesco.org/en/documents/148097>

² Daily Star (13-01-2017). *Coal vessel sinks near Sundarbans, all rescued*; <http://www.thedailystar.net/country/coal-vessel-reportedly-sinks-near-sundarbans-1344823>

³ Basit, M. A. (1995). *Non-wood forest products from the mangrove forests of Bangladesh*. FAO; <http://www.fao.org/docrep/x5336e/x5336e0o.htm>

oxides, particulates and ash to the forest and to inhabited areas, meaning acid rain, breathing difficulties, and health issues for mothers and babies. Fisheries will become contaminated with mercury and selenium. Many people have already been displaced as a result of land being purchased for the project. Women are particularly at risk, as displacement increases the threat of gender violence, including being forced into trafficking and prostitution. The harmful environmental impacts of the plant's operation in the area will also increase millions of coastal people's vulnerability to natural disasters, since the Sundarbans acts as a barrier against frequent cyclones, storms and other natural disasters⁴ (which will increase as more greenhouse gases accumulate in the atmosphere). The Sundarbans also serves as a major repository (sink) of atmospheric carbon in its undisturbed natural state, making it a critical contributor to stabilising the global climate.⁵

Our fears relating to the negative impacts of the Rampal power plant are further reinforced by the invitation to other national and international business groups with vested interests to obtain land in the area adjacent to the forest in order to set up commercial projects in and around the Sundarbans.

If built, the Rampal power plant will be dependent on imported coal, including from Indonesia, Australia and South Africa.⁶ Coal from India is negotiated as well.⁷ Coal mining in itself is a very destructive activity which causes habitat destruction, a high level of pollution, work-related social and health problems and contributes significantly to climate change.⁸ The imported coal will need to be shipped approximately 35 kilometers along the Pasur river, which flows through the Sundarbans, and which will therefore also need to be dredged, harming endangered river dolphins as well as fisheries.⁹

The burning of fossil fuels, such as coal, increases emissions of carbon dioxide which exacerbates global warming and climate change. Temperatures are already increasing world-wide: 2016 was the warmest year on record.^{10,11} Due to Bangladesh's low-lying location, it is already one of the most climate vulnerable nations in the world.¹² Climate change impacts such as rising sea levels, and more extreme events such as floods, droughts, heat waves, storms and wildfires, will be felt more acutely worldwide and have dire consequences for Bangladesh.

The freshwater flow into the Sundarbans has already been substantially reduced, resulting in increases in siltation and salinity, which threaten to upset the overall balance and functioning of the ecosystem and its species.⁹ Whereas coal power uses tremendous amounts of freshwater, solar power needs virtually none.¹³

Further, coal energy being subject to inflation and commodity price fluctuations as well as the risk to become stranded asset, the Rampal plant faces high financial risks. A financial analysis of the plant outlines several serious flaws.¹³ Investing in fossil fuel-fired power plants, regardless of its location in the world, is a retrogressive and seriously detrimental energy strategy, which will have devastating consequences for future generations. China has announced plans to cancel more than 100 coal plants currently in development, which would amount to 120 GW of coal-fired electricity capacity if the plants were completed.¹⁴ This proves that it is never too late to reevaluate already made decisions and make changes for the better. Further, rural communities in Bangladesh benefit very little from such large-scale energy projects, particularly marginalised women, who are mostly off the grid and have no access to the energy produced. Meanwhile, the Bangladesh Government has set an ambitious target to have an

⁴ IUCN & World Heritage Centre (2016). *Report on the mission to the Sundarbans world heritage site, Bangladesh, from 22 to 28 March 2016*; <http://whc.unesco.org/en/documents/148097>

⁵ UNEP (2010). *Mangroves Report Reveals Threats & Opportunities to Global Economy & the Planet*; <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=630&ArticleID=6645&l=en&t=long>

⁶ Bangladesh Awami League (2016). *Rampal power plant will not harm the Sundarbans: HPM Sheikh Hasina*; <https://www.albd.org/index.php/en/updates/news/3977-rampal-power-plant-will-not-harm-the-sundarbans-hpm-sheikh-hasina>

⁷ Aitken, G. (11-08-2016). *Rampal coal plant: Indian coal dream fast becoming a nightmare for Bangladesh*. The Ecologist; http://www.theecologist.org/News/news_analysis/2988006/rampal_coal_plant_indian_coal_dream_fast_becoming_a_nightmare_for_bangladesh.html

⁸ National Geographic Society (visited 2017). *Coal*; <http://www.nationalgeographic.org/encyclopedia/coal/>

⁹ IUCN & World Heritage Centre (2016). *Report on the mission to the Sundarbans world heritage site, Bangladesh, from 22 to 28 March 2016*; <http://whc.unesco.org/en/documents/148097>

¹⁰ Science Daily (2017). *2016 Edges 1998 as Warmest Year on Record*; <https://www.sciencedaily.com/releases/2017/01/170104130257.htm>

¹¹ NASA (2016). *2016 Climate Trends Continue to Break Records*; <https://www.nasa.gov/feature/goddard/2016/climate-trends-continue-to-break-records>

¹² The Guardian (20-01-2017). *Bangladesh struggles to turn the tide on climate change as sea levels rise*; <https://www.theguardian.com/global-development/2017/jan/20/bangladesh-struggles-turn-tide-climate-change-sea-levels-rise-coxs-bazar>

¹³ Sharda, J. & Buckley, T. (2016). *Risky and Over-Subsidised: A Financial Analysis of the Rampal Power Plant*. IEEFA; <http://ieefa.org/wp-content/uploads/2016/06/Risky-and-Over-Subsidised-A-Financial-Analysis-of-the-Rampal-Power-Plant- June-2016.pdf>

¹⁴ Business Insider (19-01-2017). *China is stopping 103 coal power projects as part of its move toward more renewable energy*; <http://www.businessinsider.com/china-plans-to-cut-back-on-coal-power-plants-2017-1?r=US&IR=T&IR=T>

additional 3.1 GW renewable energy capacity installed by 2021¹⁵, which can bring energy democracy and advance gender equality. The World Bank has called Bangladesh “a role model for solar power”.¹⁶ India, the fourth biggest emitter of greenhouse gases in the world¹⁷, has also set ambitious targets, aiming to have 100 GW solar power and 60 GW wind energy by 2022.¹⁸

The Sundarbans is a fragile ecosystem, but a more sustainable balance between socio-economic development and conservation can still be achieved if the right choices are made. On the 26th of November 2016 a protest was organised in Dhaka, Bangladesh, which attracted about 15,000 people. On the Global Day of Protest on the 7th of January 2017, over 4,000 people gathered in Dhaka, New Delhi, Melbourne, London and other cities around the world to show support for the survival and preservation of the Sundarbans. On the 26th of January, at an 8-hour long hartal held to save the Sundarbans, police used teargas and water cannons against peaceful protesters and journalists, injuring approximately 100 people and arresting 5. Such unjust violence against these peaceful protests has occurred throughout the last several years. This is not acceptable and indicates that democracy is ailing.

New fossil fuel infrastructure that will lock in decades of greenhouse gas emissions and pollute the Sundarbans violates even the most minimal environmental and social standards. We urge you to follow the leadership of the Norwegian Pension Fund and divest from National Thermal Power Corporation if your institution holds shares in the company. If your institution holds Exim India bonds, we urge you to ask Exim India to not proceed with the loan to the Rampal coal project and also make a commitment to sell these Exim India bonds if Exim India should proceed with Rampal financing. We urge you to instead increase investments in renewable solar power (read more below). We also urge your institution to remind the Governments of Bangladesh and India to uphold the right to assemble and protect the safety of people that exercise this right, including the right to protest against government-approved development projects.

The world cannot afford to lose the Sundarbans.

With grave concern,



Amanda Tas,
Protect the Forest
Sweden
Email: amanda.tas@skyddaskogen.se
Mobile: +46 (0)73-5860099



Wally Menne,
Timberwatch
South Africa
Email: plantnet@iafrica.com
Mobile: +27 (0) 82 4442083



Kate Lappin,
Asia Pacific Forum on Women, Law and Development (APWLD)
Thailand
Email: apwld@apwld.org
Mobile: +66 93-051-8861

¹⁵ Sustainable & Renewable Energy Development Authority (2015). *Scaling Up Renewable Energy in Low Income Countries (SREP) - Investment Plan for Bangladesh*; https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/bangladesh_srep_ip_final.pdf

¹⁶ The World Bank (18-10-2016). *Bangladesh is Role Model for Solar Power*;
<http://www.worldbank.org/en/news/video/2016/10/18/bangladesh-is-role-model-for-solar-power>

¹⁷ World Resources Institute (2015). *Infographic: What Do Your Country's Emissions Look Like?*;
<http://www.wri.org/blog/2015/06/infographic-what-do-your-countrys-emissions-look>

¹⁸ National Institution for Transforming India/Government of India (2015). *Report of the expert group on 175 GW RE by 2022*;
http://niti.gov.in/writereaddata/files/writereaddata/files/document_publication/report-175-GW-RE.pdf

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Alternative to fossil power plant: The Bangladeshi solar company ME SOLshare Ltd, the government-owned Infrastructure Development Company Limited (IDCOL) and other companies, were honoured with the Momentum for Change Award at the UNFCCC Conference of Parties 22 in Marrakech, Morocco, in November last year (2016), for its work with solar home systems.¹⁹ By the end of 2014, about 10 percent (3.5 million) of the Bangladesh's total households had installed solar home systems. The aim of the government of Bangladesh is to generate solar electricity for around 6 million households this year (2017).²⁰ Solar energy has proved to be affordable and reliable, and is a realistic alternative to fossil fuels. It can bring electricity to off-the-grid rural areas in Bangladesh, enable energy democracy and increase gender equalities where local people, especially women and other marginalised groups, can make decisions over the use of their resources and energy needs. In India, new wind projects are cheaper at the point of generation than the comparable costs of power from new imported coal-based projects.²¹ Therefore Bangladesh has a tremendous opportunity to meet the required energy demand, not only from solar but also by a sustainable energy mix which includes wind-power and biomass-biogas from agricultural residues and waste.²²

¹⁹ Dhaka Tribune (2016). *Bangladeshi company honoured with UN climate award*;

<http://www.dhakatribune.com/climate-change/2016/11/18/bangladeshi-company-honoured-un-climate-award/>

²⁰ Reuters (2015). *Bangladesh aims to be world's 'first solar nation*; <http://in.reuters.com/article/bangladesh-solar-idINKBN0KY00220150125>

²¹ National Institution for Transforming India/Government of India (2015). *Report of the expert group on 175 GW RE by 2022*;

http://niti.gov.in/writereaddata/files/writereaddata/files/document_publication/report-175-GW-RE.pdf

²² Buckley, T, Nicholas, S. & Ahmed, S. A. (2016). *Bangladesh Electricity Transition: A Diverse, Secure and Deflationary Way Forward*. IEEFA; <http://ieefa.org/wp-content/uploads/2016/11/Bangladesh-Electricity-Transition-NOVEMBER-2016.pdf>