

Hiroshi Watanabe
Governor, CEO
Japan Bank for International Cooperation (JBIC)

Shinichi Kitaoka
President
Japan International Cooperation Agency (JICA)

November 26, 2015

Dear Governor Hiroshi Watanabe and President Shinichi Kitaoka,

We the undersigned 72 organizations and networks are writing to express our concern over your organizations' involvement in coal projects and the energy sector in Myanmar.

Recent media reports have linked the Japan Bank for International Cooperation (JBIC) to a dangerous proposed coal-fired power plant in Myanmar, the Toyo-Thai Corporation PCL (TTCL) project¹ in Ann Din, Mon State. JBIC is the largest funder for Japanese companies attempting to develop coal plants in other countries. Therefore we also worry that JBIC may finance other risky projects, including the Mitsubishi-J-Power project in Nga Yoke Kaung, Irrawaddy Region, and the Marubeni plant in Thara Bwin, Tanintharyi Region. At a time when the majority of public financial institutions are rapidly moving away from financing coal,² JBIC risks harming local communities and sully its own reputation in order to benefit a few manufacturers.

The Japan International Cooperation Agency (JICA) has provided technical assistance to the Myanmar Ministry of Electric Power to develop the National Electricity Master Plan, which suggests that as much as 33% of the power supply in Myanmar could be from coal by 2030. Given the negative environmental and social impacts of coal-fired power stations and the availability of alternative renewable energy sources it is alarming that JICA would suggest such a heavy reliance on coal in Myanmar.

As is clear from both the JBIC and JICA Guidelines for Confirmation of Environmental and Social Considerations, the proposed coal plants in Myanmar are classified as Category A "Sensitive Sector." Category A projects are subject to increased screening prior to approval by JBIC or JICA, as well as monitoring during construction and operation. Moreover, JBIC and JICA need to ensure the borrower or the project proponent of Category A projects considers alternatives at the earliest possible stage.

Even the most advanced large-scale coal plants have devastating impacts on local populations. Such negative impacts are increasingly understood by potentially affected people, and are a major driver of local opposition to coal-fired power projects, including those linked to JBIC such as J-Power and Itochu's Batang project in Central Java, Indonesia. It is estimated that pollution from coal kills at least 800,000 people worldwide every year,^{3 4 5 6} and despite claims that the Japanese coal plants built overseas are

¹ Matsui, Motokazu. "Myanmar set to raise generating capacity fivefold." Nikkei Asian Review, 10 April 2015. <http://asia.nikkei.com/Business/Trends/Myanmar-set-to-raise-generating-capacity-fivefold>

² "Under the Rug: How Governments and International Institutions are Hiding Billions in Support to the Coal Industry." NRDC, Oil Change International, and WWF, June 2015. http://docs.nrdc.org/international/files/int_15060201a.pdf

³ Goenka, Debi, and Sarath Guttikunda. "Coal Kills: An Assessment of Death and Disease Caused by India's Dirtiest Energy Source." Urban Emissions, the Conservation Action Trust, and Greenpeace India Report, 2013. http://www.greenpeace.org/india/Global/india/report/Coal_Kills.pdf

“cleaner,” studies show that these projects do not deploy best available technology for pollution controls.⁷ Additionally, Myanmar is lacking strong domestic pollution controls to mitigate such impacts.

JBIC, JICA and all project proponents should be aware that potentially affected communities in Myanmar have expressed strong opposition to the TTCL project in Ann Din, Mon State,⁸ where around 6,000 people protested in May 2015. In Nga Yoke Kaung, Irrawaddy Region, more than 8,000 people signed the enclosed petition against the Mitsubishi-J-Power project, which was also submitted to the Japanese Embassy in Myanmar. JICA should take the communities’ views into consideration in designing the National Electricity Master Plan and in any future involvement in specific projects. Also, JBIC should find that if the bank were to fund either of these projects, this could be a clear violation of JBIC Guidelines, which require the project to secure “social acceptability”.

Communities are concerned that the projects will harm the livelihoods of local people who rely on farming and fishing. Project proponents are already circumventing the required consultations with affected people. Communities have a right under the JBIC and JICA Guidelines, and Myanmar’s Environmental Conservation Law, Rules, and EIA Procedures to access project documents, yet these have not been provided in Burmese or in local languages. There is also evidence that the voices of local people are being ignored. For example, rather than listening to the widespread opposition to the TTCL proposal at the first public meeting, project proponents attempted to override this opposition by holding a second public meeting further from the project site. Despite this, people opposed to the Ann Din project still outnumbered supporters at the second meeting. Yet, when officials from the Myanmar Government were asked why they signed a Memorandum of Agreement (MOA) with TTCL, they cited reports of two successful public meetings, indicating dissenting voices were ignored. None of this bodes well for future adherence to the Guidelines, or to the IFC Performance Standards or World Bank Safeguard Policies, which JBIC-financed coal projects should meet. JICA’s Guidelines equally require projects not to “deviate significantly” from the World Bank Safeguard Policies.

Moreover, the rapid developments in renewable energy have dramatically lowered the cost of clean power, making it a better long-term option for generation. Decentralized renewable energy options, including micro-grids and mini-grids, are best suited to Myanmar’s development since a centralized grid has not yet been developed. Studies show^{9 10} that off-grid decentralised renewable energy systems can deliver household energy services¹¹ faster and more cheaply than coal and other centralised generation

⁴ Schneider, Conrad, and Jonathan Banks. "The Toll from Coal: An Updated Assessment of Death and Disease from America's Dirtiest Energy Source." Clean Air Task Force, 2010. <http://www.catf.us/resources/publications/view/138>.

⁵ Jensen, Génon K, Editor. "The Unpaid Health Bill: How Coal Power Plants Make Us Sick." Health and Environmental Alliance, 2013. <http://www.env-health.org/news/latest-news/article/the-unpaid-health-bill-how-coal>

⁶ Abrams, Lindsay. "China's Lethal Coal Dependency: 670,000 Deaths Linked to Air Pollution in 2012," November 13, 2014. http://www.salon.com/2014/11/13/chinas_lethal_coal_dependency_670000_deaths_linked_to_air_pollution_in_2012/

⁷ "Dirty Coal: Breaking the Myth About Japanese-Funded Coal Plants." Kiko Network, JACSES, Friends of the Earth Japan, CoalSwarm, Friends of the Earth US, and Sierra Club, April 2015. <http://endcoal.org/resources/dirty-coal-breaking-the-myth-about-japanese-funded-coal-plants/>

⁸ Snaing, Yen. "Mass Protest Held Against Mon State Coal Plant Proposal." *The Irrawaddy*: 5 May 2015. <http://www.irrawaddy.org/burma/mass-protest-held-against-mon-state-coal-plant-proposal.html>

⁹ Hogarth, Ryan and Ilmi Granoff. "Speaking Truth to Power: Why energy distribution, more than generation, is Africa's poverty reduction challenge." Overseas Development Institute and Oxfam, May 2015. http://policy-practice.oxfamamerica.org/static/media/files/FINAL_speakingpowertotruth_SH.pdf

¹⁰ "Energy Access: why coal is not the way out of energy poverty." Carbon Tracker and Energy Transition Advisors, November 2014. <http://www.carbontracker.org/report/energyaccess/>

¹¹ "Investment and Finance Study for Off-Grid Lighting." A.T. Kearney and GOGLA, June 2014. <http://global-off-grid-lighting-association.org/wp-content/uploads/2013/09/A-T-Kearney-GOGLA.pdf>

sources, and without harming health or sacrificing clean air and water. It is therefore unconscionable for JBIC to consider financing any coal plant in Myanmar, which will likely have severe impacts beyond the project site, at a time when clear alternatives exist. JICA should also incorporate these findings into their planning with the Myanmar Government for the country's electricity plan, and take them into consideration in any future involvement in coal-fired power projects.

Before accepting or promoting any commercial project in Myanmar, JBIC and JICA should ensure that the benefits outweigh any direct or indirect potential negative impacts, and that there is sufficient government capacity and willingness to manage associated risks, as included in their Guidelines. Thorough appraisals must be conducted prior to project approvals, including full Environmental and Social Impact Assessments with proper consultation and input from community members. Alternatives to coal must also be considered.

Moreover, the Japanese and Myanmar governments' previous justifications for building coal projects in Myanmar do not stand up to scrutiny. Construction of coal-fired power plants in Myanmar is not as fast as expected due to infrastructure development and other impediments. Energy from coal is also not as cheap as lauded by project proponents, especially considering externalities that must be factored in, such as substantial transmission networks that will also need to be built in Myanmar. Even the most efficient coal-fired power plants with the best available pollution control technology still emit deadly mercury, sulfur and other particulates, use large amounts of water, and can contaminate local water supplies from waste water and ash.

Instead of financing and promoting controversial projects that pollute locally and contribute to climate change, leading to devastating effects on local populations and ongoing challenges from community groups, JBIC and JICA can help promote truly sustainable solutions to Myanmar's energy needs using Japanese expertise, ensuring local communities' and Myanmar civil society's views and needs are listened to and incorporated in project planning.

We look forward to your response.

Sincerely,

Action Committee for Democracy Development
Activista Myanmar
Advancing Life and Regenerating Motherland (ALARM)
Alinn Eain
All Arakan Students' and Youths' Congress (AASYC)
Alternative ASEAN Network on Burma (Altsean-Burma)
Andin Youth
Another Development
Arakan Rivers Network (ARN)
Art and Language Center (Dawei)
Ayar West Development Organization (AWDO)
Badeidhamoe
Beautiful Beach Development Network
Burma Issues
Burma Partnership
Candle Light

Center for International Environmental Law
Chin Human Rights Organization (CHRO)
Community Livelihood and Sustainable Development (CSLD)
Community Response Group (Comreg)
Dawei Development Association
Dawei Lawyer Network
Dawei Research Association
Dawei Watch Foundation
Dawei Youth Fellowship
EarthRights International (ERI)
EcoDev
Forum for Democracy in Burma
Gaihahita
Green Generations
Green Lotus Foundation - France/Myanmar
Green Network Sustainable Environment Group (GNSEG)
Greenpeace Southeast Asia
Hands of Unity Group (HUG)
Human Rights Defenders and Promoters (HRDP)
Human Rights Foundation of Monland (HURFOM)
International Accountability Project
IFI Watch Myanmar
Kachin Development Networking Group (KDNG)
Kachin Peace Network
Kachin Women Peace Network
Kachin Women's Association Thailand (KWAT)
Karen Culture and Literature Association (Myeik)
Karen Environmental and Social Action Network (KESAN)
Kyauk Phyu Rural Development Association (KRDA)
Kyauk Phyu Social Network Group (KSNG)
Kyunsu IFI Watch
Magway EITI Watch Group
Magway IFI Watch
ME – Community Development Center
Mekong Energy and Ecology Network (MEE Net)
Myaing Youth Development Organization
Myanmar Alliance for Transparency and Accountability (MATA)
Myanmar China Pipeline Watch Committee
Myanmar Climate Change Watch
Myanmar Green Network
Network for Environment and Economic Development (NEED)
Network for Human Rights Documentation – Burma
Organic Agro and Farmer Affair Development Group (OAFADG)
Pa-O Youth Organization (PYO)
Paung Ku Social Development Organization
Promotion Of Indigenous and Natural Together (POINT)
Rays of Kamonthway Indigenous People Network
Research and Translation Consultancy Cluster

Shwe Gas Movement
Shwe Maw Wun
Southern Youth
Takapaw
Tavoyan Women's Union
TRIP-Net
Ye Service Society (YSS)
Youth Circle

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