Time to Come Clean

How the World Bank Group and International Investors Can Stop the World's Most Dangerous Coal Plant

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On a hazy afternoon in early September 2017, a hulking container ship plowed through the still waters of the Pasur River in rural southern Bangladesh. The ship towered over the river's other traffic, mostly small wooden fishing boats that bobbed and tilted in its wake.

Akash, a fisherman in his early 30s, dragged a net onto his rickety boat. He gestured toward the day's catch, a modest pile of silver fish glinting in the sun. "It's getting more difficult to make a living," said Akash, whose name has been changed for his protection. He earns about $150 a month, just enough to support his family. But that way of life is under threat. "Industrial development is coming. There will be fewer fish. I don't know what I will do," he said.

Akash is one of 2 million Bangladeshis and Indians whose lives depend on the nearby Sundarbans, the world's largest mangrove forest. The Sundarbans is an important center of small-scale economic activity. For Akash and other fishermen, the forest acts as a breeding ground for the fish that teem in the maze of rivers and tributaries of the vast Bengal Delta. For thousands of other people, the forest is a place to grow crops, collect honey and harvest wood.

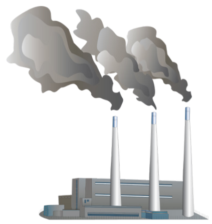
The Sundarbans also has outsized environmental importance. It plays a critical role in mitigating global warming, which threatens low-lying Bangladesh like few other countries. In addition, it is home to a number of endangered species, including the world's largest remaining population of Bengal tigers. The Sundarbans is similarly important to India, where 40% of the forest is located.

But the Sundarbans is at risk, as the Bangladeshi government opens it up for development. An estimated 150 industrial projects are planned for the area, local activists say, many of them originating from neighboring India. "The government wants to make this area into the Bombay of Bangladesh. In five to 10 years, it will be unrecognizable," said Baki Billah, a member of the National Committee to Protect Oil, Gas, Mineral Resources, Power and Ports, a civil society organization.

The cornerstone of these plans is Rampal, a planned 1,320-megawatt coal-fired power plant that will sit just 14 kilometers from the edge of the forest. The plant threatens to cause irreversible damage to the Sundarbans. It will pollute the forest's air and water with toxic coal ash, disturb its delicate ecosystem with increased shipping traffic and river dredging, and expose it to large-scale, potentially catastrophic industrial accidents, according to independent assessments. UNESCO, which designated a portion of the Sundarbans a

The Sundarbans is home to the world's largest remaining population of Bengal Tigers. Photo by Rudra Narayan Mitra, Shutterstock.com.

Quick Facts: Rampal Power Plant



Official Name: Maitree Super Thermal Power Project

Location: Rampal, Khulna Division, Bangladesh

Capacity: 1,320 MW

Owners: NTPC Ltd. (50%) and Bangladesh Power Development Board (50%)

Financiers: India Export-Import Bank ($1.6 billion), NTPC Ltd. ($250 million), Bangladesh Infrastructure Finance Fund ($250 million)

World Heritage site, has recommended that the plant be cancelled or relocated, calling it a "serious threat" to the forest.

In light of these risks, Bangladeshis from all walks of life have come out against the plant. In September 2013, thousands joined a protest march from Dhaka to the city of Rampal, a journey of more than 250 kilometers that made international headlines. "This movement is unprecedented in Bangladesh in 40 years. We know that if this plant is not stopped, millions of people will suffer," said Anu Muhammad, a leader of the national committee.

In response, the authorities have cracked down. Anu Muhammad and other activists have received death threats, and demonstrators have been beaten and intimidated. "There are a lot of people, even in government, who are against this project. But people are afraid to speak out. It's too dangerous," said Mashfikur Rhman Tuku, a member of the national committee who lives near Rampal.

The authorities have branded opponents of the project anti-development, a charge they reject. "We are not opposed to electricity. We know our country needs to develop. But once the Sundarbans is destroyed, it's too late," Mashfikur Rhman Tuku said.

Ostensibly, Rampal is an Indian project. It is a joint venture between the Bangladeshi government and NTPC Ltd., India's state-controlled thermal energy company. The Export-Import Bank of India is providing a $1.6 billion project loan to build the plant. The New Delhi-based state-controlled engineering company Bharat Heavy Electrical Limited won the construction contract. Another state-controlled entity, Coal India, is reportedly in talks to supply the plant with cheap coal.

Yet despite India's key role in developing Rampal, the project is being quietly backed by some of the largest players in global finance, who have poured hundreds of millions of dollars in capital into the companies developing it, according to an investigation conducted for this report. Many of these investors are profiting from the project despite having social and environmental guidelines that should preclude them from financing companies like NTPC.

These backers include development finance institutions whose mandate is to foster sustainable development and poverty alleviation. The International Finance Corporation (IFC), the World Bank Group's private-sector arm, provided half a billion dollars in loans to six Indian commercial banks, which have gone on to provide and arrange billions of dollars of financing to the project's developers, NTPC, Exim Bank of India, Bharat Heavy Electrical Limited and Coal India.

Following an expose by Inclusive Development International and Bank Information Center in October 2016 that revealed this hidden support for Rampal and other harmful NTPC projects, the IFC appears to have quietly taken steps to sever many of these links. The IFC did this rather than use its substantial leverage to try to prevent or mitigate Rampal's projected harms, as called for by international standards. Despite these recent moves to try to extricate itself from these investments, the IFC remains an indirect backer of the project through two Indian commercial banks, Yes and Axis, which are important arrangers of financing for Rampal's developers.

In addition to the IFC, the UK's development finance institution, the CDC, has similarly funded financial intermediaries that are helping to bankroll Rampal. The CDC owns equity in three Indian banks, IDFC, HDFC and Kotak Mahindra, through $83.7 million in investments in two Indian private equity funds. These banks have gone on to provide and arrange substantial financing for Rampal's developers. In an emailed statement, the CDC acknowledged this exposure to Rampal. The CDC is gradually exiting from these investments as a part of a 2012 shift in strategy that will "invest through intermediaries to channel capital in particular to [small and medium-sized enterprises] and the poorest countries in Africa and South

Asia, only," the statement said.

The World Bank proper, which provides loans to governments, is indirectly linked with the project through its relationship with a Bangladeshi government-controlled investment fund. In April 2017, the World Bank announced the $357 million Investment Promotion and Financing Facility II. That facility will provide $2 million in technical assistance to the Bangladesh Infrastructure Finance Fund, which "will also be eligible" to receive much larger sums for on-lending to project investments, according to World Bank project documents. The Bangladesh Infrastructure Finance Fund is providing the entirety of the Bangladeshi government's $250 million contribution to build Rampal.

Despite its support for a primary funder of Rampal, the "World Bank supported Investment Promotion and Financing Facility (IPFF) is in no way associated with the Rampal Coal Power Plant," the World Bank said in an emailed statement. However, the bank declined to provide further details before this report went to press.

Meanwhile, the private financial sector is backing and profiting from Rampal. U.S.-based BlackRock and Vanguard, the world's largest asset managers, own tens of millions of dollars of equity and debt in NTPC, Exim Bank of India, Bharat Heavy Electrical Limited and Coal India. They are profiting from the project despite their high-level executives speaking publicly about the dangers of climate change, which they have called a grave financial risk to their clients. Dozens of other asset managers and investment banks are doing the same, although on a smaller scale. BlackRock and Vanguard did not respond to requests for comment.

Moreover, the U.S. pension fund for teachers, TIAA, along with seven other European and North American pension funds, hold debt and equity stakes in the Indian companies developing Rampal. They are profiting from these companies despite managing the retirement savings of teachers and other public-sector workers, who have voiced displeasure with TIAA's irresponsible investment decisions, including Rampal. TIAA did not respond to requests for comment.

Finally, some of Japan's largest commercial banks, including Mizuho and Bank of Tokyo-Mitsubishi, have provided corporate loans, with few strings attached, to the Indian companies developing Rampal. The Japanese banks have provided this financing despite being signatories of the Equator Principles, a social and environmental risk management framework that is touted as the

Members of the national committee prepare to march in Dhaka. Photo by Joe Athialy of the Center for Financial Accountability.

gold standard of the financial sector. While the Equator Principles don't apply to these types of corporate loans, signatories promote themselves as being leaders in responsible lending. Mizuho and Bank of Tokyo-Mitsubishi did not respond to requests for comment.

By backing the Indian companies developing Rampal, these investors are complicit in the threatened destruction of the Sundarbans – and the damage this will cause to a planet already reeling from climate change and extreme weather.

These international investors are enabling an overseas push by India's state-backed coal industry, which has faced increasing resistance to its projects at home. India's urban middle class is fed up with the smog and pollution caused by coal plants. A number of planned coal plants have been cancelled, as India makes a dramatic push toward renewable energy.

With few options for new business at home, India's coal industry has taken its outdated technology and cheap coal abroad. Bangladesh, which has looser environmental regulations than India, and which the Indian government views as part of its traditional sphere of influence, fits the bill.

In Bangladeshi Prime Minister Sheikh Hasina, India has found a willing partner. As of 2014, a third of Bangladeshis lacked access to electricity, and there are short-term political gains to be had in increasing the country's generating capacity. It hasn't hurt that Indian taxpayers will ultimately subsidize some $1 billion of the plant's cost, according to a recent analysis by the Institute for Energy Economics and Financial Analysis. For Prime Minister Hasina's government, then, Rampal offers – financially, at least – a short-term win.

Yet in green-lighting Rampal, Prime Minister Hasina is ignoring numerous dire warnings from scientists, diplomats and international bodies. UNESCO has consistently voiced its opposition to the plant, despite the government's recent attempts to distort this message. Leading experts on energy and pollution control, such as Ranajit Sahu and Deb Niemeier, have publicly detailed their concerns.

Former U.S. Vice President and environmental campaigner Al Gore recently voiced his disapproval. Seated next to Prime Minister Hasina at a climate change panel at the 2017 World Economic Forum in Davos, Gore called on the Bangladeshi government to cancel the project. "My advice would be, don't build that dirty coal plant,"

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he said.

Prime Minister Hasina stood firm. "We have taken all the steps so that [the] environment should not be affected," she said. The prime minister noted that Bangladesh emits a miniscule percentage of the global greenhouse gases responsible for climate change, estimated to be just 0.3%. "The main responsibility [for addressing climate change] lies with developed countries," she said.

While that may be true, the grave risks facing Bangladesh in building Rampal are clear – and borne out by current events. This year, the heaviest monsoon rains in a generation deluged South Asia. Bangladesh, a densely populated country that is effectively one large floodplain, became a disaster zone. Water submerged a third of its territory. More than 8 million people were affected, and nearly 750,000 homes were damaged or destroyed, according to the International Federation of Red Cross and Red Crescent Societies.

Landslides in the hilly southeast killed an estimated 152 people. Villagers in the hard-hit north boarded makeshift rafts to search for food, water and shelter. Others simply waded into the pollution-slicked water, dangling their possessions over their heads. As disease spread and deluged crops began to fail, the Bangladeshi government, already stretched thin by the arrival of tens of thousands of Rohingya refugees fleeing persecution in Myanmar, scrambled to respond.

"This is fast becoming one of the most serious humanitarian crises this region has seen in many years," Martin Faller, a Red Cross official, told the German news agency DW.

Bangladesh is no stranger to weather-borne ca-

Some 2,000 families were displaced to make way for the Rampal plant. Most have left the area in search of menial work. Photo by Joe Athialy of the Center for Financial Accountability.

lamities. Every year, the monsoon rains join forces with dozens of rivers, swollen by melted Himalayan ice and snow, to submerge large parts of the country. The monsoon floods in 2007, described at the time as the worst in living memory, killed 1,100 people and damaged or destroyed 1.1 million homes. Cyclones are also a perennial worry. Last year, Cyclone Roanu unleashed a three-meter-tall wall of water that roared through seaside villages, killing dozens and causing extensive damage.

Scientists warn that global warming will make these storms worse. Experts predict that sea levels in the country could rise by as many as 13 feet by 2100, exacerbating the effects of cyclones and floods.

Mangrove forests play a crucial role in counteracting these threats: the Sundarbans acts as a natural buffer to calamitous weather, particularly cyclones, dampening their intensity and absorbing storm surges.

The forest also plays an outsize role in slowing global temperature increases. Mangrove forests can store up to five times the carbon of conventional tropical forests. If global temperatures continue to rise at projected rates, parts of Bangladesh will become too hot for human survival, according to scientists at MIT. In the coming years, tens of millions of Bangladeshis are projected to become climate refugees, creating a displacement crisis on a scale the world has never seen.

Given these risks, it's difficult for many Bangladeshis to understand why their government is so brazenly putting the Sundarbans at risk. "We're already vulnerable to climate change. The Sundarbans is our most powerful weapon for fighting it," Anu Muhammad said.

In July of 2017, the national committee, the civil society organization leading the resistance to Rampal, released a draft energy strategy to counter the government's Power Sector Master Plan 2016. By focusing on renewables and natural gas, the national committee contends that the alternative plan will meet Bangladesh's energy needs, decrease the price of electricity below government estimates, and head off the country's future reliance on coal.

Bangladesh has first-hand experience in implementing economically viable renewable energy systems. It leads the world, by a wide margin, in home-based solar power, accounting for 66% of the systems installed globally. "We know that it's possible to have electricity without destroying the Sundarbans," Anu Muhammad said.

Back on the Pasur River, the sky quickly turned gray, and gusts of wind whipped up whitecaps on the water. The monsoons ravaging the country showed no signs of abating. Akash, the fisherman, pointed in the direction of the Rampal project site, which hugs the river's eastern bank. Construction had begun five months earlier, and he was worried.

"If Rampal is built, I will have to leave my family to find work. All will be lost. I will have nothing," he said. With that, Akash gathered up his net, cranked his engine to life, and puttered toward shore.

One of the most important international investors backing Rampal is the IFC. Since 2005, the IFC has provided $520 million in funding to six large Indian commercial banks: ICICI, HDFC, IDFC, Kotak Mahindra, Yes and Axis. After receiving this money and the good publicity that comes with the IFC's stamp of approval, these banks have gone on to arrange and provide substantial financing to the four Indian companies developing Rampal.

The IFC's indirect funding of Rampal fits a global pattern. Over the past decade, the institution has increasingly outsourced its funds – and development mandate – to for-profit financial intermediaries. These commercial banks and private equity funds are often afforded carte blanche to use the money as they see fit, with limited IFC oversight. The IFC maintains that this type of lending helps small businesses access credit, thus propelling economic growth and poverty alleviation in developing countries.

Some of the IFC's financial-sector funding no doubt does reach the corner teashops and small-scale manufacturers for which it is intended. But it is also swelling the coffers of some of the largest, most harmful corporations and projects in the world – ones that are far too controversial for the IFC to fund directly. And so it has proven with Rampal, a project so risky that the World Bank reportedly declined to fund it directly.

Until very recently, the IFC's exposure to Rampal was substantial. Its six Indian bank clients provided and arranged billions of dollars in financing for the developers of Rampal through bond holdings and underwriting services, corporate loans, and shareholdings.

The underwriting services provided by these banks has been particularly important, given the extent to which large Indian companies rely on the bond market to raise capital. The six banks helped shepherd these bonds to market by setting the terms, assuming the financial risk by purchasing them, and then selling them on to buyers in their networks. The six banks have done more than just act as underwriters: some of them are also among the largest current holders of the bonds.

In theory, as IFC clients, the six banks are supposed to apply the institution's social and environmental Performance Standards to their high-risk activities. In effect, they are supposed to act as miniature IFCs, amplifying the reach of the World Bank Group's due diligence and monitoring systems throughout India's financial sector. Yet in funding companies so closely linked with India's high-risk coal industry, which is implicated in a litany of past abuses, all readily available on the public record, there is little question that the banks failed to uphold the IFC's standards.

Despite these failures, the IFC had an opportunity to rectify the situation. The October 2016 expose released by Inclusive Development International and Bank Information Center, "'Disaster for Us and the Planet': How the IFC Is Quietly Funding a Coal Boom," detailed the IFC's indirect funding

NTPC's Dirty Legacy in India

With an installed capacity of more than 50,000 megawatts, NTPC is the largest power producer in India. Established in 1975, it stands tall among government-owned corporations in India for its production and profitability.

However, the social and environmental costs NTPC had to incur to achieve this distinction are large. Whether land acquisition, forced evictions, water contamination, issues related to fly ash and coal dust pollution and their consequent health risks, NTPC epitomizes how so-called developmental projects can be a bane to local communities.

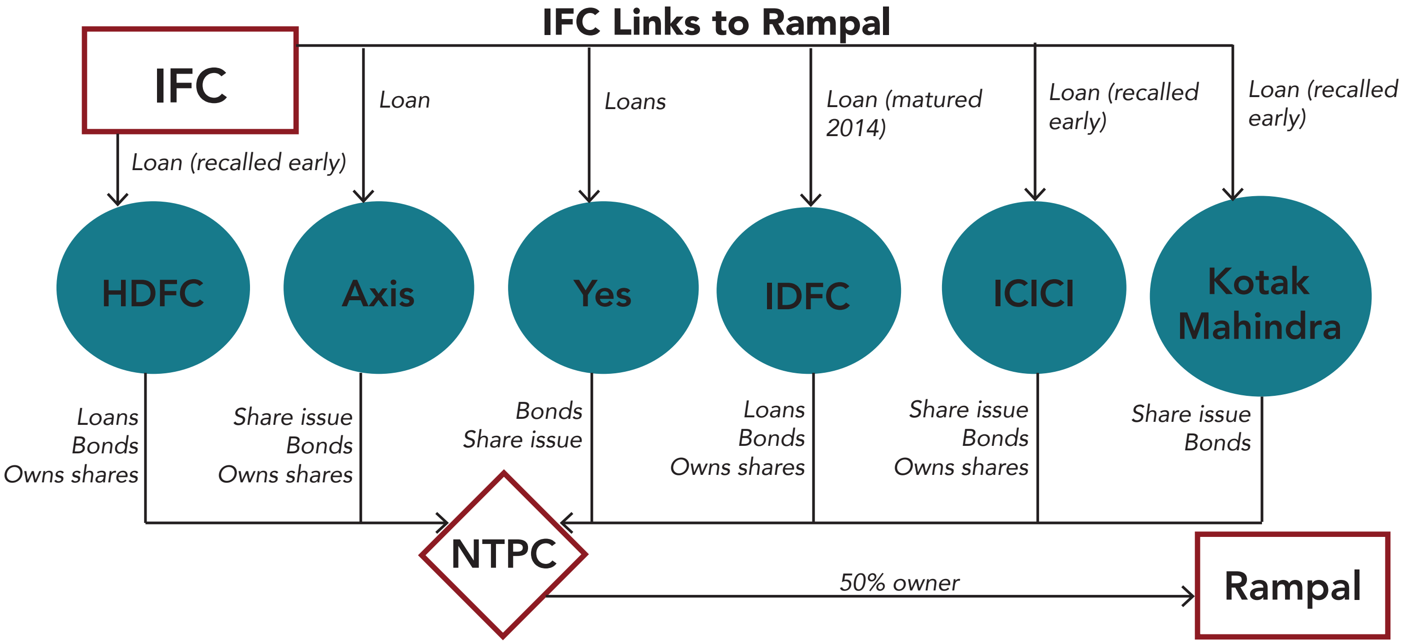
Fly-ash disposal is one of the biggest environmental challenges facing coal-based power generation, which supplies around 60% of India's total power needs.

Singrauli in central India, where NPTC has many thermal projects in a small geographical area, has become a toxic hotspot, with incremental coal mining activities in the region and the rapid development of coal-based thermal power plants resulting in acute air and water pollution. This has led to serious health problems among the residents of the area, apart from issues of forced evictions and absence of any rehabilitation.

NTPCs practice of dumping fly ash on the ground, either as landfill or agricultural manure, poses a serious risk of contamination of ground water with poisonous chemicals.

Areas near NTPC projects were found to have salinized groundwater, contaminated local water bodies, irresponsible dumping of hot water or pollutants into the sea, and dredging of the sea or riverbeds, seriously impacting the aquatic ecosystem.

Contributed by Joe Athialy of the Delhi-based Center for Financial Accountability



of NTPC and Rampal through the six Indian banks.

In advance of releasing that report, Inclusive Development International contacted the IFC for a response. In a July 2016 email, the IFC said that it was in touch with the financial intermediary clients identified in the report, and in most cases it was "working with them on identifying opportunities for improving their [environmental and social] management system." The response indicated that after years of pressure from watchdog groups, the IFC was beginning to take the problem of financial-sector lending seriously.

That concern appeared to rise to the highest level. In April 2017, the new head of the IFC, Philippe Le Houérou, published a widely circulated blog post laying out some proposed reforms.

> ***Some of the IFC's financial-sector funding no doubt does reach the corner teashops and small-scale manufacturers for which it is intended. But it is also swelling the coffers of some of the largest, most harmful corporations and projects in the world -- ones that are far too controversial for the IFC to fund directly.***

He wrote: "We welcome the scrutiny because getting policies right is critical if we are to meet our institution's goals."

Le Houérou identified four areas of improvement. One of these was to work closely with existing clients to address risk: "[W]e will better focus our environmental and social resources on appraisal, supervision, and capacity support to our financial intermediary clients who are deemed higher risk." For civil society groups in Bangladesh, this was good news. The IFC was signaling its willingness to use its leverage to stop its intermediaries from financing destructive projects like Rampal, which are manifestly in breach of its environmental and social standards.

In practice, however, that has not happened. Instead of using its leverage for good, the IFC recalled $295 million worth of loans to ICICI, HDFC and Kotak Mahindra. The IFC exited these investments four years early, an extraordinary move for a development finance institution – and one that the IFC has yet to explain publicly. In severing ties with these clients, the IFC has created distance between itself and Rampal – and surrendered its considerable power to mitigate the project's disastrous impacts.

In an October 2017 email to Inclusive Development International, the IFC declined to explain its reasons for exiting the investments early in ICICI, HDFC and Kotak Mahindra, citing client confidentiality. "The [Inclusive Development International] report did not include any additional information that IFC was not aware of before and did not play any role in making our decision," the IFC said in the emailed statement.

Rampal is expected to have disastrous impacts on the 2 million people who depend on the Sundarbans. Photo by Joe Athialy of the Center for Financial Accountability.

"These exits were planned for sometime, following improved market conditions in India," the statement said. The IFC did not elaborate on what it meant by improved market conditions, nor would it specify precisely when it exited the investments. At the time, however, India's economy was in turmoil due to the demonetization crisis. In the months following the Indian government's decision to swap old currency notes for new bills, on November 8, 2016, the economy suffered a meltdown that saw contractions in a number of sectors, including manufacturing and real estate, and created cash shortages that disproportionately hurt the rural poor.

Divestment, when used properly, can be a powerful tool. In 2014, Norway's sovereign wealth fund sold its 0.38% equity stake in NTPC, after the fund's independent Council on Ethics conducted a review that found Rampal's anticipated impacts to be egregious. This, combined with the fund's small ownership stake in NTPC, which would have given it limited leverage, meant that divestment was the only sensible option for a fund committed to ethical investment.

Yet the fund did not go quietly. The Council on Ethics published a detailed report laying out its findings and rationale for divestment. This became an important piece of evidence for the groups opposing Rampal, because it allowed them to establish a credible counter-narrative to the government's insistence that the project was harmless. "That divestment was a moral victory for us," Anu Muhammad said.

Comparatively, the IFC's silent divestment came across as a feeble abdication of responsibility, particularly given its extensive financial links to Rampal. Yet it was more than that; it also ran contrary to accepted international business and human rights standards, which call on financiers to use their leverage to prevent foreseeable harms.

The OECD Guidelines for Multinational Enterprises state that enterprises should "[s]eek to prevent or mitigate an adverse impact," even when they haven't directly caused or contributed to the impact, "when the impact is nevertheless directly linked to their operations, products or services by a business relationship." The UN's official commentary on the Guiding Principles on Business and Human Rights states: "If the business enterprise has leverage to prevent or mitigate the adverse impact, it should exercise it."

In calling the loans early, the IFC failed to meet these responsibilities. Yet despite the divestments, it still has leverage over the project through two existing clients, Yes and Axis banks, which have underwritten hundreds of millions of dollars of active NTPC and Exim Bank of India bond issues since receiving IFC funding.

The IFC disputes that it is currently exposed to Rampal through Yes and Axis. "Based on publicly available information, Axis' exposure to the Rampal project is potentially at the level of $2.2

million ($1.5 million disbursed and $0.7 million available) through bondholding of the Exim Bank bond. Based on our information, the proceeds from issuance of the Axis Green Infrastructure Bond in which IFC invested were not used for investment in the Exim Bank Bond. We also understand from Yes Bank, they do not have exposure to this project," the IFC said in the written statement.

Yet this narrow interpretation of exposure leaves out the essential role that commercial banks play in helping Indian corporations access the domestic bond market. This can be seen with NTPC. At present, the corporation carries approximately $10.5 billion in outstanding debt. The vast majority of that debt, approximately 81%, takes the form of bonds. Since November 2008, NTPC has conducted 37 bond issues. Of these, IFC intermediaries participated in 30 bond issues as joint book runners. Just five weeks before the release of this report, Axis and Yes underwrote another type of issue for NTPC, a share offering, that raised $1.5 billion in capital for the company.

It is clear that without the participation of the IFC's commercial bank clients, including current clients Axis and Yes, NTPC would face immense difficulty in raising the capital it needs to conduct business. This gives the banks – and, in turn, the IFC – substantial leverage. As underwriters, they are in the position to demand the inclusion of social and environmental covenants in the securities they are shepherding to market. If NTPC were to refuse to include such covenants, the banks could decline to participate as underwriters, severely diminishing the company's access to the capital it needs to operate.

The authorities have cracked down on opponents of Rampal. Photo by Joe Athialy of the Center for Financial Accountability.

The IFC's silent divestment came across as a feeble abdication of responsibility, particularly given its extensive financial links to Rampal.

The IFC's influence doesn't end with its commercial bank clients. As a global financial leader, the IFC could coordinate a pushback among the other shareholders and financiers exposed to Rampal, including BlackRock and Vanguard, TIAA and the pension funds, and the Japanese Equator Principles banks.

It could also work in concert with other development finance institutions with leverage over Rampal. This includes not only the CDC and World Bank, but also the Asian Development Bank, which recently announced a proposed $700 million investment in the power grid in southwestern Bangladesh, where Rampal is being built. This investment, which will increase much-needed access to electricity, gives the ADB substantial influence over the Bangladeshi power sector.

For the Bangladeshis who will be affected by Rampal, continued inaction by the IFC and these investors is not an option. "These investors should care about what is happening. They should use their influence to put pressure on the companies," Mashfikur Rhman Tuku said. He added: "Rampal might make them money, but it will destroy the Sundarbans. This is our Amazon."

By bankrolling Rampal's developers, international investors are exposing themselves to a range of risks. These risks are not just related to human rights and the environment; the project also presents substantial financial risks, according to an analysis by the Institute for Energy Economics and Financial Analysis.

Rampal will face inevitable construction delays and cost increases, driving up the plant's total price tag – and the financial burden on the developers. Rampal is unlikely to meet its projected load factor, or generating capacity, making it a "candidate for stranded-asset status," according to the analysis. The investors in Exim Bank of India face particular financial risk: Rampal constitutes an unduly large portion of the bank's loan book, which may make it difficult for the bank to attract future capital.

Since Rampal's inception, the developers have sought to downplay the project's risks. A government-commissioned environmental impact assessment, conducted in 2013, sells the project in economic terms. The project will reduce poverty and strengthen the social safety net, create cultural and livelihood improvements, and "trigger our national economic development."

Of the plant's numerous environmental risks, the assessment is mostly dismissive: "The plant will be designed in such a way so as it will ensure minimum environmental pollution." Air pollution from the plant "will not cause any affect on Sundarbans ecosystem." Numerous independent assessments have debunked these claims. Yet the developers have stood by them, promising there will be no substantial harm.

Shusanta Das, a small business owner who lives near Rampal, is wary of such promises. He has heard them before.

In 2010, he learned of Rampal when the authorities came to his house to take his land. They needed his three acres, where he farmed vegetables and raised shrimp, to build the 1,834-acre Rampal complex. They offered him $3,700 per acre, a fraction of what it was worth on the market. "There was no negotiation. I couldn't say no," he said. "This was my ancestors' land. It was very valuable," he added. The authorities made similar offers to 2,000 other families.

Shusanta Das has a university degree and owns a shop selling roofing material. He is part of the rural middle class. Most of the other families, however, are extremely poor and marginalized. He knew that they would be devastated by the loss of their land. "If I lost my farm, I had my roofing business, so I knew I could get by. But the small landholders couldn't survive on the compensation alone," he said.

They needed help. So Shusanta Das helped organize them into a nonviolent movement, which eventually attracted 4,000 people. They held marches, blocked roads and made noise. The authorities suddenly had to pay attention.

He and the movement's other leaders eventually secured a meeting with the officials in charge. Their demands were simple: move the plant to nearby land owned by the government, which offered sufficient space, so that the 2,000 families wouldn't have to leave. To their surprise and relief, the authorities agreed.

That agreement proved short-lived. "The government went back on its promise," Shusanta Das said. "They told us, 'This is the prime minister's plan. If anyone speaks against it, their tongue will be cut off.'" The families were evicted in 2011. Shusanta Das didn't receive compensation for four years. He estimates that some 220 families have yet to receive any compensation at all.

His fears about the families have proven to be prescient. He's still in touch with many of them. Almost all have left the area, scattering to Dhaka, Chittagong and across the border to India in search of menial work. Some have committed suicide. "These were landholders. They were proud people. They were humiliated by what happened," he said.

The government's broken promise still haunts him. He's aware of the assurances about the Sundarbans being offered by the government and developers. "Based on my experience, we shouldn't trust this," he said. "This project will destroy the Sundarbans. Everyone knows that."

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