

May 15, 2025

Joint Statement:
**JICA must stop the loan disbursement now and
ascertain the corruption in Bangladesh's coal project**
**- Bangladesh agency's senior official indicted
due to a massive embezzlement in Japan's ODA Project**

Japan Center for a Sustainable Environment and Society (JACES)
Friends of the Earth Japan
Mekong Watch

Several Bangladesh media reported that a senior official for the Matarbari Ultra Supercritical Coal-Fired Power Plant Project in Bangladesh - which is receiving approximately JPY 671 billion (USD 4.56 billion) in support, the largest amount ever provided under Japan's Official Development Assistance (ODA) - have been indicted by the Bangladesh Anti-Corruption Commission (ACC) on suspicion of large-scale corruption (*1). In response to the fact that the investigative authority filed criminal charges related to misconduct in this project, we, environmental NGOs, request the Government of Japan and Japan International Cooperation Agency (JICA) to take appropriate and immediate measures, including suspending loan disbursements for the project, until the verdict is finalized and effective measures to prevent recurrence are implemented.

According to Bangladesh's media, an investigation by the Anti-Corruption Commission (ACC) revealed that Mohammad Jahangir Alam, a senior official of the implementing agency for the Matarbari Ultra Supercritical Coal-Fired Power Plant Project, had embezzled assets over 290 million Bangladeshi taka (approximately USD 2.38 million). It was also found that Alam had conducted suspicious transactions totaling more than 1.27 billion taka (approximately USD 10.41 million) through 94 different bank accounts at various financial institutions. In October 2024, the Dhaka Metropolitan Sessions Judge Court issued a travel ban on Alam and his wife, citing the risk that they might flee the country to evade the investigation (*2).

Since signing the first loan agreement for the Matarbari Ultra Supercritical Coal-Fired Power Plant Project in June 2014, JICA has concluded a total of eight loan agreements amounting to approximately JPY 671 billion. The eighth loan agreement, signed in March 2025, was concluded by JICA despite the ongoing investigation into the suspicion of corruption (*3). Sumitomo Corporation, Toshiba, and IHI have undertaken the engineering, procurement, and construction (EPC) for the power plant.

Under the JICA Guidelines for Environmental and Social Considerations (Guidelines), it is possible to suspend loan disbursements or request early repayment if legal violations or the sort occur in a supported project. In this project, violations of the Guidelines have been raised such

that many residents who made a living from salt and shrimp farming lost their jobs, and local residents were forced to live in hardship due to delays in compensation payments and the provision of alternative housing, etc (*4). It is unacceptable that, while those involved in the implementing agency gain enormous profits through acts of corruption, many local residents continue to suffer unjustly due to the project.

Therefore, JICA should promptly suspend loan disbursements for this project until a verdict is finalized in the local court and effective measures to prevent recurrence are implemented.

Furthermore, in order to be accountable as a public institution, JICA should clarify the relationship between the misconduct in this project and the ODA funds provided by Japan. If it is found that ODA funds were involved, JICA should take appropriate action and implement measures to prevent recurrence.

Note:

*1: Related articles from Daily Sun Report and bdnews24

<https://www.daily-sun.com/post/804685>

<https://bdnews24.com/bangladesh/fad6a49b5916>

*2:

<https://www.dhakatribune.com/bangladesh/corruption/363055/travel-ban-imposed-on-matarbari-power-project>

*3: https://www.mofa.go.jp/mofaj/press/release/pressit_000001_01942.html

*4: <https://jacses.org/en/advocacy-for-ending-japanese-public-financing-for-fossil-fuel-projects/>

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