

Early Warning System

WB-P143988

Electric Power Project

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Quick Facts

Countries	Myanmar
Specific Location	Thaton Combined Cycle Gas Turbine Power Plant
Financial Institutions	World Bank (WB)
Status	Active
Bank Risk Rating	B
Voting Date	2013-09-24
Borrower	Republic of the Union of Myanmar
Sectors	Energy
Potential Rights Impacts	Healthy Environment, Indigenous Peoples, Labor & Livelihood, Right to Food, Right to Health, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 140.00 million
Project Cost (USD)	$ 140.00 million

Project Description

The purpose of this project is to “increase capacity and efficiency of gas-fired power generation and to strengthen the institutional capacity of the Ministry of Electric Power and the Myanmar Electric Power Enterprise.” The project consists of two components. The first and main component involves expanding the existing Thaton gas turbine station into a new Combined Cycle Gas Turbine (CCGT) power plant. This will modernize the station’s technology. The second component consists of providing technical assistance and advisory services to the Ministry of Electric Power (MOEP) and the Myanmar Electric Power Enterprise (MEPE). MEPE operates ten Gas Turbine stations, including the Thaton station in Mon State, “which was chosen as the best candidate for the expansion of generating capacity with [a] modern, high-efficiency, low-emissions Combined Cycle Gas Turbine plant.”

This project is also linked to the World Bank-funded National Electrification Project (P152936). Bank documents state that implementation of the National Electrification Project will prioritize Thaton District and the villages near Thaton Power Station.

Location(s): The Thaton gas turbine is located in a rural area approximately 5km northeast of the town of Thaton. Thaton township is the administrative center for Thaton District in Mon State. The gas turbine is mostly surrounded by rubber plantations, although to its west is a tire factory. Bank documents indicate that the key affected communities are in three indigenous people’s villages close to the project site – two villages, Than Ban and Kyar Pan, are about 1.5km from the project site. A third village, Nyaun Wyne, is about 2km from the project site.

Resources needed: Total area of the turbine site is 35 hectares

Early Warning System Project Analysis

Risk Assessment: Category B.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category B is assigned to a project only if “it has potential adverse impacts on human populations or environmentally sensitive areas.”

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

According to the World Bank documents, the project triggers the following safeguard policies:

Environmental Assessment OP/BP 4.01

triggered because potential environmental harm during construction includes emissions form construction equipment, airborne dust and noise, as well as small amounts of wastewater (washing water) and solid waste (inert construction waste). However, the site is already under industrial use so Bank documents state that existing roads and transmission lines will be used and limited vegetation will be removed. Environmental impacts due to operation of the plant includes air emissions, noise, wastewater, and waste generation. Bank documents note that the current institutional capacity in Myanmar to administer an environmental and social impact process is very limited. Similarly, Bank documents state that the operator of the Thaton GT plant, MEPE, similarly has extremely limited capacity for environmental management. According to the Bank, the lack of institutional capacity for environmental and social protection will be addressed through the technical assistance component under the project.

Indigenous Peoples OP/BP 4.10

triggered because indigenous peoples represent the majority (90 percent) of the potential beneficiaries and affected population in the project influence area. The Bank will provide technical assistance and support to the government to prepare and accelerate rural electrification in the three indigenous peoples villages in the Project's area of influence.

Additionally, Bank documents state that, due to lack of adequate national environmental standards, the World Bank Group Environmental Health and Safety General Guidelines and the World Bank Group Guidelines for Thermal Power Generation will apply to the project, and, where applicable, other international good standards such as relevant EU Directives, or US-EPA standards.

People Affected By This Project

OUR RISK ASSESSMENT

Based on the World Bank documents, this project poses potential risks to the following human rights:

Rights of Indigenous Peoples

Although Myanmar voted in favor of endorsing the UN Declaration on the Rights of Indigenous Peoples, which provides for free, prior, and informed consent prior to land acquisition, resettlement, and project development, Myanmar has yet to enshrine the right of individuals to participate in decision making regarding projects that affect them in its national laws. According to an assessment report published by the Danish Institute for Human rights, Myanmar Centre for Responsible Business, and the Institute for Human Rights and Business, “Myanmar is one of the most culturally diverse countries in the region, and ethnicity is a complex, contested and politically sensitive issue where ethnic groups have long believed that the Government manipulates ethnic categories for political purposes.” The report notes that “the recognition of certain groups living in Myanmar as ‘indigenous peoples’ is unclear in law and may be contested in practice.”

The World Bank states that 90 percent of communities affected by the project are indigenous peoples. According to the Social Assessment, the closest habitation is about 500m from the site perimeter fence and there are three villages surrounding the project site. The majority of inhabitants in the villages near the project site are “Ethnic Minorities.” Two of these villages, Than Ban and Kyar Pan, are about 1.5km from the project site. A third village, Nyaun Wyne, is about 2km from the project site. In addition, 120 staff households are located near the power plant. Bank documents indicate that “Broad community support (BCS) based on a process of free, prior and informed consultation,” rather than free, prior and informed consent, has been documented, including in the Social Assessment. An Indigenous People Plan was not prepared because indigenous populations make up a majority of the affected population. Instead, Bank documents state that “relevant elements of the policy have been directly integrated into project design.”

Right to Food

According to the Bank, the land use in Mon State, including the Thaton area, is mostly rice cultivation, as well as rubber plantations and orchards. Bank documents state that 35 percent of residents in the three villages rely on farming/planting for income. Therefore, the project could impact the right to food, to the extent that it may reduce the land’s productivity. Additionally, Bank documents mention that waste and pollution from the project might affect productive land and other livelihood resources.

Right to Livelihood

Bank documents state “the results from consultations with the FGD participants affirmed that there will be no displacement of households associated with land acquisition, no loss of business establishments, productive assets, cultural heritage or livelihood.” However, in consultations, some have expressed concerns that waste and pollution may impact agricultural land and livelihood resources, thereby posing potential adverse impacts on livelihoods.

Right to Health

The proposed gas turbine may result in pollution and other waste products. Bank documents state that “chemical treatment of the water takes place at the gas turbine site to reduce lime concentrations (most treatment occurring in the dry season). Three kind of chemicals are used in treatment of water: Hydrochloric acid (HCl) used for alkylation, Caustic Soda (NaOH, used for neutralizing agents, and Trisodium phosphate (Na3PO4), used as a water softener.” Additionally, Bank documents state that at the current site there is currently no plan for handling of solid waste. These issues could potentially be harmful to the health of local populations and workers if the waste is not properly disposed.

Investment Description

- World Bank (WB)

Bank financing: World Bank
Borrower: Republic of the Union of Myanmar
Amount of bank loan or investment: $140 USD million
Total project cost: $140 USD million

Contact Information

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CONSULTATIONS

There were consultations in three villages near the proposed Combined Cycle Gas Turbine power plant in March 2013. Additionally, there was a workshop on May 20, 2013, which was attended by 50 people, including civil society and local stakeholders. A national meeting took place in Yangon on May 2013. The Executive Summary of the Environmental and Social Assessment was disclosed in local language to the NGOs and local communities in the Project area in July 2013 and published on Myanmar Electric Power Enterprise website on July 9, 2013.

PROJECT-LEVEL GRIEVANCE MECHANISMS

Bank documents state: “A culturally appropriate grievance redress mechanism will be established in consultation with potentially affected IPs to address grievances by the affected Indigenous Peoples' communities and to ensure that any project related complaints are promptly addressed. . . A first instance of dispute handling where IPs are represented will be set up with the aim of settling any disputes amicably.” Also, “if necessary, the project will establish a committee which will include IP representatives and project management.”

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. You can learn more about the Inspection Panel and how to file a complaint at: http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx.

Bank Documents

- Integrated Safeguards Data Sheet (Appraisal Stage) - Electric Power Project - P143988 (English) [Original Source]
- Integrated Safeguards Data Sheet (Concept Stage) - Electric Power Project - P143988 (English) [Original Source]
- MEPP- Audit Report- AF- March 2016 (English) [Original Source]
- Myanmar - Electric Power Project (English) [Original Source]
- Myanmar - Electric Power Project : chair summary (English) [Original Source]
- Myanmar - Electric Power Project : environmental assessment (English) [Original Source]
- Myanmar - Electric Power Project : P143988 - Implementation Status Results Report : Sequence 01 (Eng [Original Source]
- Myanmar - Electric Power Project : P143988 - Implementation Status Results Report : Sequence 02 (Eng [Original Source]
- Myanmar - Electric Power Project : P143988 - Implementation Status Results Report : Sequence 03 (Eng [Original Source]
- Myanmar - Electric Power Project : P143988 - Implementation Status Results Report : Sequence 04 (Eng [Original Source]
- Myanmar - Electric Power Project : P143988 - Implementation Status Results Report : Sequence 05 (Eng [Original Source]
- Myanmar - Electric Power Project : P143988 - Implementation Status Results Report : Sequence 06 (Eng [Original Source]
- Myanmar - Electric Power Project : procurement plan (English) [Original Source]
- Official Documents- Disbursement Letter for Financing Agreement Credit 5306-MM (Closing Package) (En [Original Source]
- Official Documents- Financing Agreement for Credit 5306-MM (Closing Package) (English) [Original Source]
- Official Documents- Recommendations of Statutotry Committee for Financing Agreement Credit 5306-MM ([Original Source]
- Official Documents- Supplemental Letter ref. Financial Data for Financing Agreement Credit 5306-MM ([Original Source]
- Project Information Document (Appraisal Stage) - Electric Power Project - P143988 (English) [Original Source]
- Project Information Document (Concept Stage) - Electric Power Project - P143988 (English) [Original Source]