

ADB & BANGLADESH'S LNG CRISIS

HOW ADB'S GAS FINANCING RISKS LEAVING BANGLADESH WITH DEBT, POLLUTION, AND STRANDED ASSETS

In Khulna, Bangladesh, families living near the Rupsha River are already feeling the cost of another fossil fuel project backed by the Asian Development Bank (ADB).

Fishermen report shrinking catches. Communities fear worsening air pollution. Residents displaced by construction continue struggling with inadequate compensation.

Yet despite these impacts, the ADB approved a massive USD 600 million loan for the Rupsha 800 MW LNG Power Plant – a project critics say Bangladesh does not even need.

A COSTLY PROJECT THAT BANGLADESH MAY NOT NEED

The Rupsha LNG plant is being built despite Bangladesh already facing major power overcapacity. The study notes that overcapacity reached 46%, while billions were already being spent on payments for idle power plants. Critics warn the project could become another stranded asset, especially as Bangladesh still lacks sufficient gas supply infrastructure to fully operate the plant.

Despite these risks, the USD 1.14 billion project continues moving forward – heavily financed through loans, including USD 600 million from the ADB.

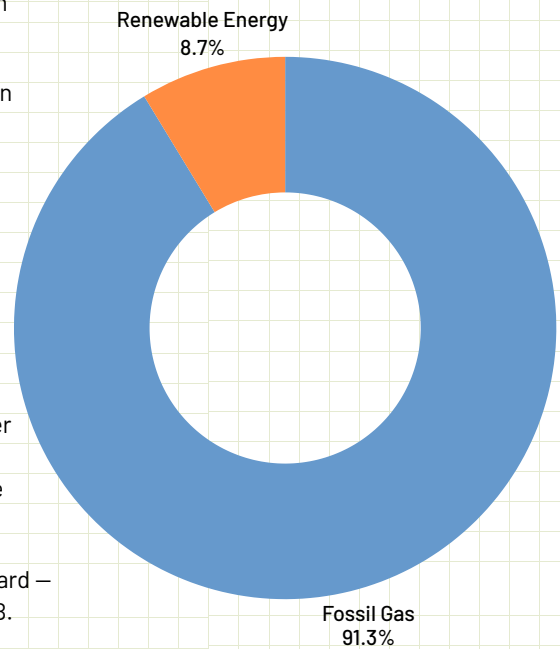
Civil society groups argue that while ordinary Bangladeshis may ultimately shoulder the long-term debt burden through higher public costs and electricity prices, corporations and lenders continue profiting regardless of whether the plant successfully delivers electricity.

According to the report-

- ADB has already collected millions in service charges,
- contractors secured major engineering and transmission contracts,
- while the public remains exposed to long-term financial and energy risks.

Communities fear Bangladesh is once again being locked into expensive fossil fuel dependence – where public debt grows even as energy insecurity remains unresolved.

ADB Energy Financing in Bangladesh



COMMUNITIES PAYING THE ENVIRONMENTAL PRICE

Residents in Khulna warn the project is worsening environmental and public health risks. The report highlights -



rising air pollution,



destruction of river ecosystems,



biodiversity loss,



and threats to the endangered Ganges River Dolphin.

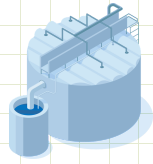
The plant is also expected to withdraw over 41,000 tons of water daily from the Bhairab River, increasing pressure on already fragile ecosystems.

Meanwhile, 640 people were reportedly displaced by the project, including families affected by relocation and loss of livelihoods.

Human & Environmental Costs



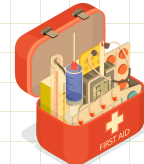
640 people displaced



41,000 tons of river water are withdrawn daily



Fish species at risk



Rising respiratory illnesses

EXPENSIVE POWER IN A CLIMATE-VULNERABLE COUNTRY

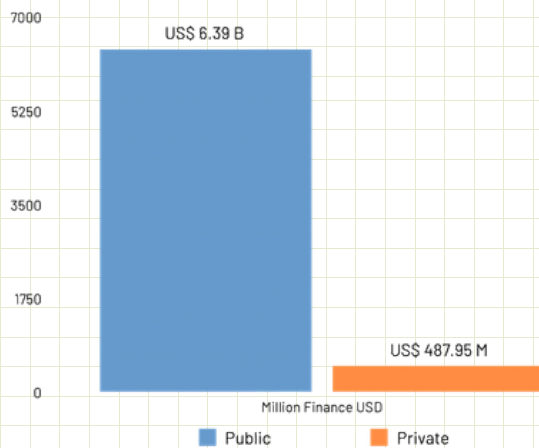
Critics argue the project deepens Bangladesh's dependence on imported LNG, exposing the country to volatile global fuel prices and foreign exchange pressures.

The report estimates -

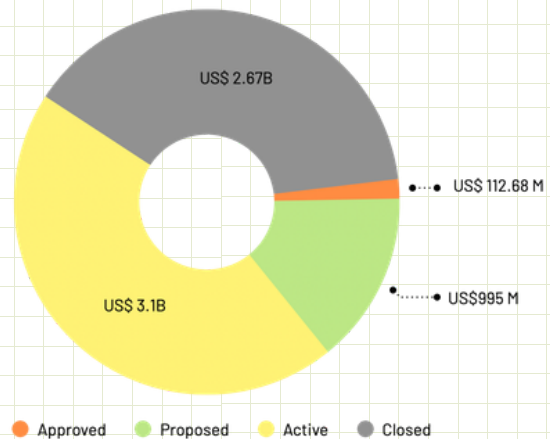
- USD 544 million annual fuel import costs,
- USD 3 billion in lifetime capacity charges,
- and electricity generation costs significantly higher than upcoming solar power.

Researchers warn the project could lock Bangladesh into decades of fossil fuel dependence while cleaner renewable alternatives become cheaper.

Who Pays, Who Profits?



ADB's Energy Portfolio in Bangladesh



WHAT COMMUNITIES ARE DEMANDING FROM ADB

Advocacy groups are urging the ADB to -



Stop financing fossil gas and failed debt-driven energy projects in Bangladesh



Suspend loans tied to stranded and idle power plants



Redirect investments toward renewable energy, grid modernization, and community-centered solutions



Ensure accountability for pollution, displacement, stranded assets, and rising public debt



End the use of public funds for projects that primarily benefit corporations and lenders