



BRI Watch is a regular update produced by FIDH to document the impact of Belt and Road Initiative (BRI) projects and other China-backed investments on human rights and the environment across Asia.

For feedback and questions :
asia@fidh.org

COVID-19 SLOWS BRI PROJECTS

The novel coronavirus (COVID-19) pandemic has considerably slowed the progress of many BRI projects across Asia. At the same time, travel restrictions and other curbs on the freedom of movement across the region have severely limited the ability of journalists to travel to areas where these projects are implemented and to report on their impacts. This has resulted in a sharp decrease in reports of human rights violations directly tied to the implementation of BRI projects, compared to the pre-COVID-19 period. However, the BRI slowdown has also resulted in additional challenges for communities in which BRI projects are being implemented.

VIENTIANE-BOTEN RAILWAY (LAOS)

The US\$7 billion project is a 414-kilometer railway that links the town of Boten, located in Luang Namtha Province on the border with China, with the Lao capital Vientiane. The joint venture Laos-China Railway Co. (LCRC) is responsible for the railway's construction and operation. China's Mowan railway company, Beijing Yukun investment company, and the Yunnan government own a 70% stake in LCRC, while the Lao government owns the remaining 30%. Work began in December 2016 and the railway is scheduled to begin operating in December 2021.

MELAKA GATEWAY (MALAYSIA)

The US\$9.9 billion mixed commercial development project consists of the building of three artificial islands and construction on one existing island in Melaka State. The development would cover a total surface area of 1,500 acres that will include a deep-sea port, a cruise ship terminal, a financial center, a maritime industrial park, shopping malls, tourist resorts, luxury condominiums, and theme parks.

ENVIRONMENT

In **Laos**, construction of the Vientiane-Boten railway [polluted several waterways](#), harming the livelihoods of local residents. In late February, local residents reported that the Houay Pamom Creek - a tributary of the larger Nam Xong River - in Phahom Village, Vang Vieng District, Vientiane Province, became polluted. Residents attributed the pollution to substances discharged into the creek, which were from the boring of a railway tunnel and complained they could no longer fish in the creek. In mid-February, pollution stemming from the construction of another railway tunnel was reported in another Nam Xong tributary, the Nam Lik River, with the runoff killing nearly 50 kilograms of fish.

In **Malaysia**, while the development of the Melaka Gateway has seemingly stopped, members of the local community in the Portuguese Settlement voiced their concern over the [ongoing environmental impact of the project](#). Land reclamation conducted as part of the project has already damaged the local ecosystem, including the destruction of mangroves, coral reef, and coastal erosion. Land reclamation has also negatively affected the local fishing industry by pushing fishermen to go deep-sea fishing, which entails additional expenses and dangers.

TRANSPARENCY

In **Pakistan**, details of the Gwadar Port project [have been shrouded in mystery](#) despite demands for disclosure by journalists and experts. A Pakistani government official revealed that the complete master plan for the project had not been made public, and only limited information about the salient features was available on the website of the Gwadar Development Authority, the body responsible for the project's implementation. Concern was also expressed over the project's environmental impact, because of its overreliance on coal and the lack of emphasis on the use of renewable energy. A planned 300 megawatt coal-fired power plant is two years away from being functional.



In Myanmar's northern Kachin State, authorities approved the development of the Kanpiketi Business Park [without prior consultation with affected communities](#). The Kachin State government approved the project during a government meeting on 20 February, and the Kachin State Parliament approved a proposal to implement the project a week later. According to the Kachin government, it is not known how many people living in the project area will be displaced. Local lawmaker H La Awng warned that project developers must hold "proper negotiations" with affected communities before the project can begin.

LAND RIGHTS

In Laos, villagers were [still waiting to be compensated](#) for the land that had been confiscated from them for the Vientiane-Boten railway. In early April, it was reported that more than 10 affected families in Nga District, Oudomxay Province had sought the authorities' assistance to demand compensation to no avail. A local official said that payment of compensation was still being considered, but refused to say when and how much compensation the villagers could expect.

In Laos' Savannakhet Province, it was reported in late February that 88 families who had been relocated to make way for the Xe La Nong 1 dam were [still facing difficulties and had no income](#) after almost nine months since their relocation to the new village. The relocation site was located on mountainous terrain unsuitable for rice and other crops and with no arable land in the vicinity. In addition, the new village, which had no school or healthcare facilities, remained unfinished, with some houses still without walls, running water, or toilets. In addition, the families had not received any compensation from the developer, despite being promised 40 million kip (US\$320) for each hectare (2.47 acres) of land that had been confiscated. An official involved in the project said these challenges would remain unresolved as long as the representatives from the dam's developer were unable to return to Laos from China due to the ongoing COVID-19 travel restrictions.

RIGHT TO WORK

In Laos, developers of the Vientiane-Boten railway [launched a recruitment drive](#) for railway workers in late February, even though [reports of unpaid salaries to workers](#) currently working on the railway emerged several months later. For example, in April it was reported that a group of up to 30 workers in Na Mo District, Oudomxay Province, had not received their salaries for several months and had not been told when they would be paid. Because of the delayed salaries, the workers could not afford to buy food, pay their rent, or purchase essential items for their families. In early April, a group of ethnic Hmong workers also demanded the payment for their unpaid salaries. The delays in the payment of salaries were attributed to the fact that the employers had left the project areas and returned to China early this year amid the spread of COVID-19.

XE LA NONG 1 DAM (LAOS) The US\$150 million dam is located in Savannakhet Province. The electricity produced by the 70 megawatt dam is intended for domestic consumption. The dam is being built by four investment partners: China's state-owned Yunnan Energy Investment Group International Development owns 70% of the project, Lao company Daosavanh Group 25%, and China's Sun Paper Holding company the remaining 5%. The construction of the dam began in 2017 and is set to be completed in 2021.

MELAKA GATEWAY (MALAYSIA)

The Malaysian company KAJ Development (KAJD) is the main developer of this project and it has contracted with China's state-owned enterprises PowerChina International, Shenzhen Yantian Port Group Co., and Rizhao Port Group Co., along with Chinese company Kasen International Holdings, to participate in the project. The project was officially launched in February 2014 and is scheduled for completion by 2025.

GWADAR PORT (PAKISTAN)

The US\$1.62 billion port is an essential part of the BRI, connecting China with markets in the Middle East, Africa, and Asia. The port is leased to China until 2059 and will be operated by China's state-run firm China Overseas Port Holding Company (COPHC). Under this agreement, 91% of the revenue generated by the Gwadar port will go to COPHC and 9% to Pakistan's Gwadar Port Authority. The project will also include 15 new power plants, an artificial island, a central business district, international exhibition centers, multiple theme parks, luxury resorts, botanical gardens, and museums. The project's master plan, approved in November 2019, has been developed by the Pakistani government alongside China's state-owned construction giant China Communications Construction Company.

KANPIKETI BUSINESS PARK (MYANMAR)

The US\$22.4 million park is located in Kanpiketi, in northern Kachin State on the border with China. The park covers nearly 70 acres and serves to promote trade, cooperation, and investments between China and Myanmar. It includes a cultural park, two trade and logistics zones, and a business shop. The project will be developed by Myanmar Heng Ya Investment Development Company, a joint venture of China's Yunnan Tengying Trading Company and Myanmar's Kampaiti Development, which have a 70% and 30% stake respectively in the joint venture. The Kachin State government signed a memorandum of understanding (MOU) with the developer in March 2020.