



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

CHINA PUSHES AHEAD WITH BRI DESPITE PROJECTS' SLOWDOWN

Beijing pressed ahead with BRI despite the ongoing slowdown of BRI projects as a result of the novel coronavirus (COVID-19) pandemic. In mid-June, China's government revealed that 60% of the BRI projects globally had been affected by COVID-19. China is eager to move forward with BRI, even in countries that are still reeling from COVID-19. For example, the governments of China and Pakistan signed US\$11 billion worth of hydropower generation contracts in June and July. On 11 July, Iran said a US\$400 billion economy and security deal with China could be finalized by March 2021. Meanwhile, on 20 June, a statement issued by 25 BRI countries following a videoconference underscored the importance of economic recovery, growth, and cooperation in the context of COVID-19, but failed to address environmental and human rights issues stemming from BRI projects.

ENVIRONMENT

In Indonesia's Central Sulawesi Province, the building of the Indonesia Morowali Industrial Park (IMIP) raised alarms over the potential harm to the local ecosystem. Concerns have mounted over the environmental impact of IMIP, after PT Hua Pioneer Indonesia (HPI), the company that manages the waste for four factories, in January asked for government approval to discharge 25 million tons of potentially toxic waste into the ocean per year. If approved, this deep-sea waste disposal plan would have a disastrous impact on the local marine environment and the livelihood of fishing-dependent communities. As of mid-June, the Ministry of Environment and Forestry had not approved the plan. In addition, proposed government legislation risks exacerbating the negative environmental impacts of infrastructure and investment projects, including BRI projects. The Indonesian government is planning to approve a bill in September 2020, which would amend about 80 current laws to lower penalties for environmental violations, loosen the requirement for environmental impact assessments, and remove restrictions on the mining industry and on rezoning land for development.

IMOROWALI INDUSTRIAL PARK (INDONESIA)

The US\$8 billion industrial park covers 4,971 acres of land in Morowali, Central Sulawesi Province. The cooperation agreement to establish the industrial park was signed in October 2013. The industrial park has been developed by PT Indonesia Morowali Industrial Park (IMIP) a joint venture between China's private company Shanghai Decent Investment, which holds the majority stake, and Indonesia's private company PT Bintang Delapan Group. During the initial stages of the project, state-owned Chinese banks, including Bank of China, offered mid and long-term financial support. The industrial park has its own sea, land, and air accesses, including a seaport that can accommodate ships of up to 100,000 tons, and an airport with a 1,890-meter-long runway. As of 2017, most of the park's tenants were metallurgic companies.

In Myanmar, the Shweli River, which marks the border between Shan State and China, showed signs of pollution that was possibly connected with operations of factories in China's territory. In early June, villagers in Muse Township, Shan State, reported that the Shweli River turned red in color and suspected that this change may be the result of upstream factories discharging pollutants in the river. While water samples were being examined, residents of Muse and Namkham Townships pressed government authorities to further investigate and address the situation.

In Pakistan, experts and local residents have raised concerns over the risk of environmental degradation in relation to the construction of the Diamer-Bhasha Dam in the Kashmir region of Gilgit-Baltistan, after Pakistani Prime Minister Imran Khan inaugurated the construction of the dam in mid-July. The dam on the Indus River will negatively impact the livelihood of locals, who depend on fishing, and force at least 50 villages to relocate.



TRANSPARENCY

In **Myanmar**, in mid-June the government set up an investigative body to probe possible irregularities related to the development of the Myanmar Yatai Shwe Kokko Special Economic Zone (SEZ) in Myawaddy Township, Kayin State. The project sparked criticism for its lack of transparency and reports of land confiscation. The developer, Hong Kong's private company Yatai International Holding Group, unilaterally expanded the original US\$22.5 million investment project to build residential villas on 62 acres of land in Shwe Kokko Village to a US\$15 billion SEZ over 29,652 acres of land.

CULTURAL RIGHTS

In the **Philippines**, the construction of the Binondo-Intramuros bridge may put historical and cultural heritage at risk. The proposed four-lane vehicle bridge located in the Intramuro heritage district within the city of Manila could seriously harm the structure of many historical buildings, including the San Agustin Church, completed in 1607, a UNESCO Heritage Site. The ramp to the bridge will violate the buffer zone proviso, which may result in the site being removed from the UNESCO Heritage List. Despite concerns raised by heritage experts, the construction of the bridge has continued.

WORKER RIGHTS

In **China**, concerns over labor conditions in BRI projects were raised by US Secretary of State Mike Pompeo during the launch of the annual Trafficking in Persons (TIP) Report on 26 June. He said China's state-owned enterprises often forced citizens to work in "horrendous conditions" on BRI projects. Although the TIP Report did not mention any details of any BRI projects, Mr. Pompeo's statement seemingly referred to a passage of the report that denounced "forced labor by the means of mass detention" of more than one million ethnic minorities in Xinjiang.

DIAMER-BHASHA DAM (PAKISTAN)

The US\$14 billion hydropower project is slated to be built on the Indus River between Kohistan and Diamer Districts in the Gilgit-Baltistan region of Kashmir. The dam is being built by a joint venture between China's state-owned company ChinaPower, which holds a 70% stake, and the Frontier Works Organization, the civil and engineering arm of Pakistan's military, which holds the remaining 30% stake. The construction contract was signed in May 2020 and the dam is scheduled to be completed in 2028. Upon completion, the Diamer Bhasha Dam is expected to stand 272-meters tall with a crest length of over 1,000 meters, and have a power generating capacity of 4,500MW of electricity.

YATAI SHWE KOKKO SPECIAL ECONOMIC ZONE (MYANMAR)

The US\$15 billion development of the Special Economic Zone (SEZ) covers nearly 30,000 acres of land in Myawaddy Township, Kayin State. The project started in January 2017 and is expected to be completed by 2027. The SEZ is being developed by Hong Kong's private company Yatai International Holding Group, in cooperation with the ethnic armed opposition group Kayin State Border Guard Force. The SEZ is in the initial phase of development, with US\$500 million invested over 214 acres of land. The project includes an industrial park, an international financial and trade center, an entertainment complex, hotels, casinos, and retail businesses.

BINONDO-INTRAMUROS BRIDGE (PHILIPPINES)

The US\$90 million steel bowstring arch bridge project on the Pasig River in Manila is being implemented by the Philippines' Department of Public Works and Highways (DPWH), with US\$63.13 million from the Chinese Official Development Assistance as part of the Economic and Technical Cooperation Agreement with China. The groundbreaking ceremony took place in July 2018, with an aim to open by March 2021. Upon completion, the bridge will link Manila's Chinatown to Intramuros, a historical-cultural heritage site of the Spanish-era walled city.