



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.

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MORE BRI PROJECTS CANCELED, DELAYED

The global economic downturn caused by the novel coronavirus (COVID-19) pandemic, coupled with Beijing's protracted failure to address the negative impacts of BRI projects, has led to the cancellation of some of these projects across Asia in recent months. In **Malaysia**, in late November 2020, Melaka authorities canceled the land reclamation contract due to the developer's failure to complete the land reclamation for the Melaka Gateway project [See BRI Watch Issue 0] in accordance with the concession agreement. In **Bangladesh**, in September 2020, the Sonadia Deep-Sea Port Project was officially terminated by the Bangladeshi government due to growing environmental concerns. In **Indonesia**, in September 2020, it was reported that the high-speed railway BRI project was facing a two-year delay due to the pandemic-related travel restrictions on construction laborers.

LAND RIGHTS

In **Myanmar's** Kachin State, the Myitkyina Economic Development Zone (MEDZ), a joint venture between a China state-owned company and the Kachin State government, faces serious delays due to environmental concerns, lack of project transparency, land grabbing, and failure to provide adequate compensation to local residents. In August 2020, a Kachin State Parliament official said that local residents were not informed about the details of the project and were concerned over the loss of farmland and homes to land grabbing. As of January 2020, the Kachin State government had failed to hold any consultation meetings with communities affected by the project.

ENVIRONMENT

In the **Philippines**, the expansion project of the Sangley Point domestic airport in Cavite Province has raised alarms over the potential harm to the local ecosystem. In October 2020, local residents reported that the massive land reclamation required for the airport expansion had already harmed the area's environment and the local communities' livelihood. Local residents also said the project has had a devastating effect on the mangrove forest in the area and caused the death of a large number of crabs and mussels. This forced fishermen to venture out of their traditional fishing area, making it harder for them to sustain their livelihood. In addition, Cavite City residents said the government was using restrictions imposed to tackle the spread of COVID-19 to limit public gatherings of individuals who opposed the project.

MYITKYINA ECONOMIC DEVELOPMENT ZONE (MYANMAR)

The US\$273 million development of the Economic Development Zone covers 4,751 acres of land in Palana Village, Myitkyina Township, Kachin State. The project is a joint venture between the Kachin State government and China's Yunnan Tengchong Heng Yong Investment Company (YTHIC), a subsidiary of the Yunnan Baoshan Hengyi Industry Group. The MoU between the two entities was signed in 2018, with a plan to begin the project's implementation by 2021. The project is awaiting final approval from the Myanmar government. The project aims to draw investment in about 500 factories.

SANGLEY POINT INTERNATIONAL AIRPORT (PHILIPPINES)

The US\$10 billion project aims at redeveloping the Sangley Point International Airport in Cavite Province, about 30 kilometers southwest of Manila. The project is a joint venture between Philippine private company MacroAsia and China's state-owned China Communications Construction Company (CCCC). The project, which is expected to be implemented in two phases, includes the construction of an additional runway, the improvement of road connection from the airport to the Manila-Cavite Expressway, and the construction of a terminal with an annual capacity of 25 million passengers by 2022, and up to 130 million by 2028. The provincial government of Cavite is reviewing the final joint venture agreement, which was submitted on 24 November 2020.



TRANSPARENCY

In **Myanmar**, in August 2020, China's government issued a statement to deny that the Yatai Shwe Kokko Special Economic Zone (SEZ) in Myawaddy Township, Kayin State, was a BRI project. The project has been plagued by a lack of transparency and has been under investigation by the Myanmar government over allegations of irregularities in connection with the project development [See BRI Watch Issue 1].

In **Bangladesh**, concerns were raised regarding the transparency of a power plant project. In November 2020, the Bangladeshi government accepted a bid by China's state-owned company China Machinery Engineering Corp. (CMEC) to build the country's first waste-to-electricity plant in Dhaka. The government did not reveal information about the companies that had tendered bids for the project. In addition, concerns emerged over the fact that the Bangladeshi government would pay a price per unit of electricity generated by the plant that would be three times higher than the current price.

In **Bangladesh**, concerns were raised about the viability of another power plant project. In December 2020, the Bangladeshi government approved a wind power plant project to be implemented by a consortium of private companies from Bangladesh and China in Mongla, Bagerhat District. Energy experts raised concerns over the fact that the government has already agreed to buy the electricity from the plant at a fixed price of US\$0.13 per unit, which is over 60% higher than the generally accepted price per unit for wind electricity.

In **Pakistan**, in February 2021, the National Assembly adopted the China-Pakistan Economic Corridor (CPEC) Authority Act. The law gives Pakistan's military control over BRI projects implemented as part of the CPEC, as well as greater financial autonomy from the civilian government. Analysts worried this could lead to the military making decisions concerning national resources without any form of oversight and accountability.

In September 2020, the US government blacklisted China's state-owned company Union Development Group (UDG), which is responsible for the Dara Sakor complex development project in Koh Kong Province, **Cambodia**. The measure was taken because of UDG's alleged involvement in "corrupt activities", such as using violent tactics to clear the land leased for the project. A statement issued by then-US Secretary of State Mike Pompeo alleged the land for the Dara Sakor project had been acquired through forced evictions conducted by corrupt Cambodian officials, who used private security and military forces to destroy the local villagers' houses.

WORKER RIGHTS

In **Pakistan**, on 18 November 2020, thousands of workers from the Punjab Mass Transit Authority working on the Orange Line Metro Train (OLMT), which is part of a BRI/CPEC project in Lahore, Punjab Province, gathered in Karachi, Sindh Province, to protest the wages they received because their pay was less than their Chinese counterparts doing the same work. In addition to the wage disparity, workers protested the fact that key executives who were hired by the Punjab Mass transit Authority for the development of the OLMT project were all awarded to Chinese nationals.

DHAKA WASTE-TO-ELECTRICITY PLANT (BANGLADESH)

The construction of the 42.5 megawatts waste-to-electricity plant will be implemented under a tripartite agreement between the state-owned Bangladesh Power Development Board (BPDB), the Dhaka North City Corporation (DNCC), and China's state-owned China Machinery Engineering Corporation (CMEC). The building and running costs will be entirely covered by CMEC. DNCC will supply sufficient garbage to generate electricity, while the BPDB will buy the electricity for 25 years at a fixed price. Once the proposal is approved by the Cabinet Committee on Public Purchase, the power plant will aim to begin production within two years.

MONGLA WIND POWER PLANT (BANGLADESH)

The 55-megawatt wind-power plant will be built by a consortium of private companies from China (Envision Energy), Hong Kong (Envision Renewable Energy), and Bangladesh (SQ Trading and Engineering) in Mongla, Bagerhat District. Once the companies have built the plant, the Bangladesh Power Development Board (BPDB) will procure the electricity from the plant at a fixed rate for the next 20 years, with a total budget of US\$240 million.

DARA SAKOR PROJECT (CAMBODIA)

The US\$3.8 billion investment zone in Koh Kong Province covers 90,000 acres of land. The project is being developed by China's private company Union Development Group (UDG). UDG obtained a 99-year land lease from the Cambodian government in 2008 for the project. With one resort already operating, the investment zone is expected to have an international airport by mid-2021, a deep-sea port, and an industrial park, along with other luxury resorts complete with power stations, water treatment plants, and medical facilities.

ORANGE LINE METRO TRAIN PROJECT (PAKISTAN)

The US\$1.6 billion automated light rail rapid transit project in Lahore, Punjab Province, was constructed by China's state-owned companies China State Railway Group and China North Industries Group Corporation (NORINCO). The project was funded through a loan provided by China's Export-Import Bank and Industrial and Commercial Bank. The contract for the operation and maintenance of the 27.1 km long line was signed by China's state-owned Guangzhou Metro Group, NORINCO, and South Korea's private company Daewoo Pakistan Express Bus Service. The construction began in October 2015 and service opened to the public on 25 October 2020.