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## BRI WATCH ISSUE 4 - OCTOBER 2021



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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### CHINA USES BRI TO COZY UP WITH THE TALIBAN

Already under fire for massive human rights abuses in Xinjiang, Tibet, and other areas in China, Beijing now appears keen on strengthening its ties with the Taliban, a group that is notorious for the commission of severe human rights violations, possibly amounting to international crimes, in **Afghanistan**. On 28 July 2021, prior to the capture of Kabul by the Taliban, China's Foreign Minister, Wang Yi, <u>hosted the head of the Taliban's Political Commission in Tianjin, China.</u> At a media briefing on 3 September, Wang Yi stated that the Taliban believes that "BRI is good for development and prosperity in Afghanistan." According to media reports, China could extend the BRI to Afghanistan <u>to exploit rich minerals and rare-earth</u> mines in Afghanistan.

#### BANSHKHALI COAL-FIRED POWER PLANT (BANGLADESH)

The 1,320 megawatt coal-fired power plant in Banshkhali, Chittagong District, is a project developed by a joint venture between Bangladeshi private industrial conglomerate S. Alam Group, China's state-owned Electric Power Construction Corporation (SEPCO III), and China's private company HTG Group Development. Construction of the power plant commenced in 2016 and operations are expected to begin by December 2022.

### NEW KELANI BRIDGE -Athurugiriya elevated Highway (sri lanka)

The US\$677 million project is a 17.3km four-lane elevated highway connecting New Kelani Bridge to Athurugiriya in Colombo District. The project was awarded to the stateowned China Harbour Engineering Corporation (CHEC) on a design, build, finance, operate, maintain, and transfer basis for a period of 18 years. An additional 15-year period is granted to CHEC to cover cost and earn a profit through highway toll collection. Construction work commenced in August 2017 and is scheduled to be completed by

### **ENVIRONMENT**

In Bangladesh, new information emerged concerning the lack of transparency and potential negative environmental impacts of a Chinese-funded coal power plant. In June, a report released by three local and international environmental NGOs found that the Environmental Impacts Assessment (EIA) of the Banshkhali S. Alam plant [See BRI Watch Issue 3] in Chittagong District downplayed information on how the project would affect air quality when fully operational. The EIA report, which was not made public, omitted the health impacts of the plant's air pollutants and mercury emissions. It contained misleading claims on the baseline air quality in the area as the plant's predicted pollution levels were set much lower than they would have been by using appropriate modelling. On 22 June, more than 100 activists from 21 countries petitioned China's government to withdraw all Chinese investment and involvement in the Banshkali power plant. The petition claimed that the Bangladeshi government approved EIA downplayed information on the environmental and health impacts of the power plant.

In **Sri Lanka**, concerns emerged over the removal of environmental safeguards related to a China-backed highway project. On 19 July, the government removed part of the protected status of the Talangama wetland area, in Colombo District, to allow China Harbor Engineering Corporation (CHEC) to proceed with a four-lane elevated highway project. According to environmental scientists, the construction of the highway risks to imperil rare species of birds and animals that inhabit the Thalangama wetland area. As a result of construction waste, water pollution, traffic, and emission pollution, the highway project is also expected to affect the livelihood of traditional paddy farmers and have adverse health impacts on local residents.



### **RIGHT TO LIVELIHOOD**

In **Pakistan**, a series of protests against water and electricity shortages and impacts on livelihood hit a key China-backed infrastructure project. During June-August protests took place in the Gwadar port city area, Balochistan Province, where local fishermen, workers, and residents complained that resources had been diverted for the implementation of the Gwadar Port project [See BRI Watch Issue 0]. The protests by fishermen in the Gwadar District claimed that their <u>livelihoods were being affected</u> by the government's decision to grant fishing licenses to Chinese trawlers.

### LABOR RIGHTS

In Indonesia, reports surfaced of discriminatory hiring practices carried out by joint ventures involving Chinese companies. In June, it was reported that families in Longkotan Village, North Sumatra Province, complained that a Chinese-backed joint venture failed to uphold its <u>commitment made in land purchase negotiating documents</u> that prioritized hiring locals. The families reported that they were not provided employment opportunities despite their land being acquired by zinc mining company PT Dairi Prima Minerals, an Indonesia-China joint venture, with an attendant agreement that the company would prioritize hiring locals. Similarly, families whose land was acquired for the development of the Chinese-backed Batang Toru hydropower project in North Sumatra Province [See BRI Watch Issue 3] were promised employment but were not subsequently given any work on the power plant.

### LAND RIGHTS

In July, it was reported that China's overseas investments, including through BRI projects, resulted in the acquisition of large areas of land in Asia. According to Land Matrix, an EU-based land monitoring organization, Chinese entities have purchased or leased globally nearly 6.5 million hectares of land for mining, forestry, and agriculture purposes between 2011 and 2020. Through these acquisitions, <u>Chinese companies</u> <u>have altered the landscape of several Asian countries</u>, such as Myanmar, which accounts for over 25% of the share of land acquired or leased by Chinese companies globally for agriculture, the report found.

#### NEW KELANI BRIDGE -Athurugiriya elevated Highway (Cont.) (Sri Lanka)

January 2025. The highway is being built in two phases, with phase II of the project running through the Thalangama wetland area.

#### **GWADAR PORT** (PAKISTAN)

The US\$1.62 billion Gwadar Port project 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 staterun 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 22 new coal and hydropower 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.

#### PT DAIRI PRIMA MINE (INDONESIA)

PT Dairi Prima Mineral's is an underground Zinc mining project located in the Sopokomil area of the Dairi Regency in North Sumatra Province. The project is an Indonesia-Chinese joint venture in which state-owned China Nonferrous Metal Industry's **Foreign Engineering & Construction** (NFC China) owns a 51% stake and Indonesia's private company PT Bhumi Resources Minerals (BRM) own the remaining 49%. Dairi Prima Mineral's production has a 30-year production permit from 2017 to 2047.

#### BATANG TORU HYDROPOWER PROJECT (INDONESIA)

The US\$1.5 billion Batang Toru hydropower plant in North Sumatra Province is developed by China's state-owned Sinohydro and Indonesia's PT North Sumatra Hydro Energy (NSHE), a special consortium company. At 510-megawatts, Batang Toru is set to be one of Indonesia's largest hydropower plants. The project, which is funded by the Bank of China, began construction in 2015 and is set to become operational by 2025.