Govt. walking on eggshells

By Kishani Samarakweera

The much talked about Port City project has finally halted 'temporarily' after serious allegations were made that the project has commenced violating regulations and disregarding the legal framework required for mega investment projects and concerns expressed regarding the impact it might have on the environment, impacts which have already taken place. When it was suspended the company China Communications Construction Company Limited (CCCC) told the media, “As a result of this suspension, CCCU estimates an initial direct loss for the company of over 380,000 U.S. dollars per day. Furthermore, the interest on the financial loan obtained by the company for the development of the project is being paid, regardless of the ongoing suspension.”

On March 5 the Cabinet Spokesperson, Minister Rajitha Senaratne told the media that after taking into consideration the recommendations of the interim report submitted by the committee appointed to review the Port City project the Cabinet had approved to suspend the construction of the project temporarily. The Cabinet had also approved to advise the relevant project company to present the approvals they have obtained from the relevant institutions to implement the project within two weeks.

China Communications Construction Company Limited (CCCC), the investor in the Colombo Port City, releasing a media statement said that on March 7 CHEC Port City Colombo Private Limited, the company in charge of the construction of the project was officially informed by Secretary to the Minister of Ports, Shipping & Aviation to withhold the construction of the Port City project with immediate effect.

CCCC also mentioned that they were asked to submit valid permits and approvals issued by the relevant government authorities and that the company has expressed that they will submit all documents necessary as instructed.

However it is worth noting that in an advertisement published by the CHEC they have clearly stated that according to the 12.1 of the Concession Agreement the authority proponent is required to obtain the Environmental Impact Assessment (EIA), Sand mining license for the sand borrow zone and the approval from the Department of Coastal Conservation & Coastal Resources Management for the design, construction, and completion of the reclamation work.

Opinions were also expressed that this project would ultimately lead to a situation where the sovereignty of the country will be at risk since some of the land concerning the project is for a 99 year lease for the Chinese government and the continuation of the construction of the Port City will not benefit Sri Lanka by any means. However, the Chinese Ambassador to Sri Lanka, Li Xianjiang has stated to the media that the project would benefit the country and therefore it is not a project which will only benefit the Chinese company. He has also revealed that China is in fact promoting the silk route and countries connected to that particular network will be benefitted.

The Colombo Port City Project is estimated at USD 1.4 billion and the ownership of the project as well as the sole authority lies with the Sri Lankan government while the CCCU will carry out construction work. The Colombo Port City is expected to attract USD 13 billion worth of foreign direct investment from around the world and also 8,000 job will be created under the project.

When The Nation contacted Environmentalist and Lawyer, Jagath Gunawardana on what would be the consequences if the project is stopped altogether and whether it would affect the long standing relations between China and Sri Lanka, he mentioned that the government is bound to provide its citizens with a safe environment and to support projects which are beneficial to the community.

"Chapter VI of the Constitution Article 27: Directive Principles of State Policy subsection 14 states that the State shall protect, preserve and improve the environment for the benefit of the community. So before thinking about whether it would affect the relations of the two countries, the government should be concerned about its own citizens because they are under obligation to act in such a way that their actions will ultimately benefit the community," he said.

Gunawardana further elaborating on the matter mentioned that Sri Lanka is a sovereign country and therefore the officials should be able to decide what is best for the country and not what is good for China because Sri Lankan citizens will be facing a lot of implications if these types of projects are given the approval. “No country should be able to compel us to go forward with such projects. If it causes a threat to our environment and country as a whole then it should be stopped,” he added.

He further pointed out that the government has the power to review and nullify any agreement if it poses a possible threat to the country.

Consultant Economist, Anush Wijesinghe expressing his notion on the issue said, “The project may have irregularities, but the government should make sure that the review is done properly and not in an ad hoc manner.”

He stressed that the Port City project was inaugurated by former President Mahinda Rajapaksa and Chinese President Xi Jinping and therefore it is a project which has been dealt with at the highest diplomatic level.

“My personal opinion is that this matter could have been less complex if only persons who are in the highest level of the country were permitted to make statements on the matter. The current project is much complex when everybody started to make statements as to the status of the Port City project,” he said.

Wijesinghe said that it should also be kept in mind that this project ranks among the largest investments in Sri Lanka by a foreign country. “This is not an ordinary investment, but a mega project and this is the most strategic investment issue we have had in a while,” he added.

He also pointed out that even if the project is to fall through it should be dealt with at the highest diplomatic level because that has hitherto been the nature of the interaction.

“China and Sri Lanka has a long standing relationship and it will continue to be like that. This issue about the Port City project should be dealt with very carefully.”