



## **KALADAN PROJECT : OPPORTUNITIES AND CHALLENGES**

*Col GS Puyam  
Senior Fellow, CAPS*

The Kaladan Multi-Modal Transit Transport Project, known as Kaladan Project, will link India's seaport of Kolkata with its landlocked north eastern states through Mizoram by traversing Arakan and Chin States in Myanmar through riverine and highway transport systems. It is a strategically important project which will provide an alternate connectivity to North Eastern Region (NER) other than the Siliguri corridor. During the recent visit of PM of India Narendra Modi to Myanmar on 11 November 2014, regional connectivity between the two countries specially Kaladan Project and India - Myanmar - Thailand trilateral highway came up for review. It is also aimed at forging closer ties with its eastern neighbours perhaps concerned by the expansion of China's economic and strategic influence in Myanmar and South East Asian region.

However, there are concerns that the project would bring irreparable ecological damage, as well as apprehension in the minds of locals of losing their livelihood from the river. Also, will it truly achieve the aim of linking North East India, as State capitals of North Eastern states presently are not well linked to each other. Unless there is a simultaneous plan of transport development in the region, Kaladan Project on a standalone mode perhaps may fall short of huge expectations.

### **Kaladan Project**

On 02 Apr 2008, Ministry of External Affairs (MEA), Govt. of India entered into a Framework Agreement with the Govt. of Myanmar to facilitate implementation of

the project. The Framework Agreement is based on a Detailed Project Report (DPR) for development of the Multimodal Transit Transport system to the North Eastern states through Myanmar prepared by Indian Consultant M/s RITES during 2003.<sup>i</sup> The project will be undertaken in the following components :

- (a) An integrated Port and Inland Water Transport (IWT) terminal at Sittwe. It involves redevelopment and expansion of Sittwe port so that it can accommodate larger vessels.
- (b) Development of navigational channel along river Kaladan from Sittwe to Paletwa involving dredging a stretch of 158 km in Kaladan river.
- (c) An IWT - Highway transshipment terminal at Paletwa. Thereafter, a 129 km highway to the border of India's Mizoram State.
- (d) A two lane highway from Lomasu (border point) to Lawngtlai which will link up with existing NH 54.<sup>ii</sup>

According to the April 2008 Framework Agreement, Myanmar will provide the required land and security for the project. India will bear the full cost of the project.<sup>iii</sup>

### **Present Status of the Project**

Construction work on the port is being carried out by the Inland Waterways Authority of India with Essar Projects Ltd.<sup>iv</sup> Construction of integrated Port cum IWT jetty at Sittwe and Paletwa are almost completed. But the construction of highway between Paletwa to the Indo Myanmar border, scheduled to start from the year 2011-12 has now been delayed. The entire project is planned to be completed by 2015. The construction in the Indian side i.e. Indo Myanmar border to NH 54 Lawngtlai in Mizoram is in progress.

After completion, the project will be handed over to the Myanmar Government as per the mutually agreed terms and conditions. These terms and conditions are outlined in two protocols (Protocol on Transit Transport and Protocol on maintenance).<sup>v</sup> These documents have not yet been made public.

**Positive Impacts**

- (a) Strengthen the country's economic, political and security influence in Southeast Asian countries. Can act as a counter-balance to China's growing influence in the Bay of Bengal.
- (b) Provides landlocked Northeastern region an access to the sea and an opportunity to develop economic linkages with Southeast Asia. With the operationalization of the Sittwe port, generally food-deficient North Eastern states and Mizoram in particular, will get sufficient quantities of rice from Myanmar.
- (c) Reduces the distance between Kolkata and the North Eastern states substantially and providing with a shorter and faster transportation route between mainland India and the Northeast Region. The distance between Kolkata port and Sittwe port is roughly 539 kms and products from Lawngtlai would have to travel only 650kms against the current route of Aizawl-Silchar-Siliguri-Kolkata that is approximately 1,700kms long. This may pave the way for economic integration of the region with Southeast Asia.<sup>vi</sup>
- (d) Potential of bringing economic opportunities for locals on either side of the border, thus reduce the level of food insecurity.
- (e) Generate employment for the local people where unemployment rate is high right from construction stage. Provide small to medium scale business opportunities for locals.

**Challenges**

- (a) The intra - regional as well as inter - regional connectivity in NER is woefully short to take advantage of the Kaladan project. Presently, Aizwal is linked by road to Silchar only.
- (b) The poor state of infrastructure and weak economic base in NER will not be able to take advantage of the opportunities opened up by opening of Kaladan Project.

(c) In the long run, the highway connectivity from the port alone may not be able to meet the logistics requirement. Therefore, perhaps there may be requirement of linking Sittwe port to Mizoram by railways. Thereafter, this should be extended both to Silchar and Imphal and beyond respectively.

(d) There is apprehension that due to dredging and movement of vessels, locals may lose their livelihoods as they depend on these rivers for their sustenance.

(e) Various organisations suspect that this project will cause environmental damage and unpredictable changes. Allegedly, “no environmental impact assessments have ever been conducted for the project area in Burma, and no details regarding the route of the planned highway have been made public”.<sup>vii</sup>

(f) There are fears of large-scale displacement of people due to land eviction specially for construction of highway from Paletwa to Indian border. Also, no detailed Project Report for Paletwa IWT has been publicly released, the location and amount of land required for this Phase is completely unknown to people living in the project area in Paletwa Township.<sup>viii</sup>

(g) Due to the lack of consultation or sharing of information and transparency on the project, there is genuine threat to destruction of ecological balance in the area.

## Recommendations

(a) Development of transportation and communication links to provide four lane access to all the State capitals should be taken up on a war footing so as to take advantage of Kaladan project. Thereafter, connectivity to rest of India and neighbouring region should be taken up simultaneously. Trans - Asia Highway linking India to Thailand through Myanmar is a step in the right direction. Also alternative routes from NER to rest of India through southern side of North Bengal or even Bangladesh needs to be explored.

(b) In order to exploit the full potential of connectivity to Sittwe port, railway line should also be planned to link Aizwal to Sittwe port. There are already existing blueprints to

connect Aizwal from Silchar by Indian Railways. But, besides this, there should be a northward extension of this rail connectivity from Aizwal to Imphal, Kohima and Arunachal Pradesh. Thus, the NER has the potential to become a manufacturing hub for engaging the neighbouring regions.

(c) India should aim big with Myanmar economy opening up. One can plan setting up of a Special Economic Zone around Sittwe, or near Paletwa, with facilities like power plants and other downstream industries, export-oriented greenfield projects, tourism complexes, a super-specialty hospital, residential complexes and educational institutions etc.<sup>ix</sup> Also, the respective governments should provide help in economic development to local communities to ensure that they can continue their previous livelihoods unhindered and also benefit them.

(d) Should ensure consultations with local people and prevent human rights abuses. Both the Governments should conduct assessment of environmental and social impacts and make results public.<sup>x</sup>

***(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies CAPS)***

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<sup>i</sup> Ministry of Development of North Eastern Region <http://www.mdoner.gov.in/content>

<sup>ii</sup> Cross Border Connectivity [http://ris.org.in/images/RIS\\_images/pdf/Border%20connectivity%20Background%20Note.pdf](http://ris.org.in/images/RIS_images/pdf/Border%20connectivity%20Background%20Note.pdf)

<sup>iii</sup> Mizzima News; India's Look East Policy and Kaladan Project of Western Burma: 24 Jan 2013

<sup>iv</sup> India's Policy towards Burma by Gareth Price; Chatham House Asia ASP June 2013

<sup>v</sup> Ministry of Development of North East Region ; Kaladan Multi Modal Transit Transport Project <http://www.mdoner.gov.in/content>

<sup>vi</sup> <http://manipuroonline.com/look-east-policy/kaladan-multi-modal-project-in-myanmar/2010/12/19>

<sup>vii</sup> Rights group call for transparency in Kaladan Project by Dene- Here Chen and Feliz Solomon 12 Jun 2014 at [www.dvb.no/news/rights-groups-call-for-transparency-in-kaladan-project-burma-myanmar/41448](http://www.dvb.no/news/rights-groups-call-for-transparency-in-kaladan-project-burma-myanmar/41448)

<sup>viii</sup> Ibid no 6

<sup>ix</sup> <http://www.rediff.com/news/column/stabilise-north-east-before-looking-east/20121013.htm>

<sup>x</sup>[http://www.academia.edu/3772710/One\\_cannot\\_step\\_into\\_the\\_same\\_river\\_twice\\_making\\_the\\_Kaladan\\_Project\\_people-centred](http://www.academia.edu/3772710/One_cannot_step_into_the_same_river_twice_making_the_Kaladan_Project_people-centred) )