

Forum: Environment Commission
Issue: Promoting environmental sustainability under the One Belt One Road Initiative
Student Officer: Jamie Jeong
Position: Assistant President

Introduction

China announced the One Belt One Road Initiative (OBOR), also known as the Belt and Road initiative (IBR) in 2013 as an effort to promote economic development and interregional connectivity in over 115 countries ("The Belt"). Through this initiative, the Chinese government aims to bring back the honor of The Silk Road which was active during the westward expansion of China's Han Dynasty (206 BCE–220 CE). It forged trade networks throughout the Central Asian countries, as well as modern-day India and Pakistan to the south (Chatzky and McBride). Thus, the Silk Road allowed for Central Asia to conduct one of the first upsurges of globalization, connecting eastern and western economies, which prompted vast wealth and intermixed cultures. However, eventually, trade was reduced due to the Crusades and the Mongols' advancements which leaves Central Asian countries economically isolated from each other now.

Therefore, Xi Jinping proposed the launch of the OBOR, the New Silk Road, not only to recover the ancient trade routes but to further expand the routes across six economic corridors, stretching through three continents and more than 60 countries ("The Belt"). This undertaking is conceivably the most ambitious single infrastructure project in generations; however, with such large-scale development comes correspondingly significant environmental challenges. Many parties in and outside of the initiative are concerned not only about the instantaneous biophysical impacts, but fear more of the long-term, long-lasting environmental repercussions caused by unsustainable infrastructure, technology, and resource extraction ("The Belt").

With the right policies and safeguards in place, negative impacts of these investments can be avoided, while recipient countries can be supported in achieving the Sustainable Development Goals. With all Belt and Road investments, care must be taken to ensure that decisions are based on sound knowledge and solid science. Social and environmental safeguards must be put in place so that projects include effective stakeholder engagement and that benefits are equitably shared ("The Belt"). A more formal institutional and regulatory approach to these areas could increase trust in host states and communities and thereby reduce project risk.

Definition of Key Terms

2030 Agenda

The 2030 Agenda, established by the United Nations (UN), is a plan of action for the people, the planet, and prosperity. The 17 Sustainable Development Goals (SDGs) and 169 targets announced by the UN demonstrate the scale and ambition of this universal agenda. They aim to balance the three dimensions of sustainable development: the economic, social, and environmental. The Goals and targets are to stimulate action over the next years up until 2030, in areas of critical importance for humanity and the planet ("Transforming our world").

Green Investment

Green investment refers to the act of investing resources towards projects which aim to benefit the environment. Executors of this financial operation include individuals, equity firms, hedge funds or corporations ("Green Investment"). Such investment can regard categories such as but not limited to "waste management, pollution reduction, water resource management, protection of the ocean, alternative energy research, and fossil fuel reduction" ("Green Investment").

Background

The Interest of the Initiative

Since its proposal, the OBOR initiative has been increasingly welcomed in many countries: It is now being conceived as a "Chinese solution" for participation in globalization and SDG goals such as but not limited to engagement in "global openness and cooperation, improving the global environmental governance system, promoting shared development and prosperity around the world, and building a community of shared destiny" (China Council [4]). So, when the Belt and Road Summit for International Cooperation was held in May 2017, 29 representatives from more than 130 countries and 70 international organizations gathered in Beijing to discuss updated progress in the development of the OBOR Initiative (China Council [4]).

Current Progress and Consequences

Throughout the last 5 years, in the economic and construction aspect, the OBOR initiative has developed from a concept and vision to concrete actions; Significant progress has been achieved. Following the confirmation of 103 countries and organizations signing 118 OBOR-related agreements with China, the total amount of trade in goods and direct foreign investment between China and relevant countries exceeded 5 trillion USD and 70 billion USD respectively by June in 2018. The Chinese government has already invested more than 20 billion USD in developing overseas economic and trade cooperation zones, which created thousands of job opportunities and several billion USD of tax revenue for the country. In the meantime, a series of cooperation projects have also achieved positive progress: Numerous projects are being developed well under schedule such as the construction of the China-Pakistan Economic Corridor (CPEC), China-Lao Railway, China Thailand Railway, Hungary-Serbia Railway, and Jakarta Bandung High Speed Railway. Furthermore, the "Gwadar Port is ready to be put into full

operation” and the “China Railway Express to Europe has now extended to 43 cities in 15 countries; and more than 10,000 trains have made the transcontinental voyage between China and Europe.” (China Council [5])

However, while the realization in construction (the major threat to the environmental aspect) for the OBOR initiative is accelerating quickly, the efforts concerning environmental sustainability still yet remains a plan:

Regarding the general input (energy use, ecosystem use, water use, other resource use etc.) aligned with the OBOR initiative, it is noted that the largest investment categories are all such associated with a negative climate impact: hydropower (approximately 22% of all OBOR projects), rail infrastructure (19%), manufacturing (13%), and coal (12%) (Embassy of Sweden [11]). Though many may be relieved by the fact that 22% of its energy input originates from hydropower, the OBOR is actually doing a poor job in managing environmental sustainability for this reason: The World Wildlife Fund (WWF) had pointed out in a report that hydro plants have a major impact on input related categories (ecosystem use, water use, other resource use) due to the rapid exhaustion of them. (Embassy of Sweden [11])

On the other hand, the output-related categories (greenhouse gas (GHG) emissions, non-GHG air pollutants, solid waste etc.) are obviously still negatively influenced by the coal power plants (Embassy of Sweden [11]). Several independent studies have assessed the progress of OBOR projects in this context. An independent Greenpeace report commented on one of the more prominent OBOR projects, the Lamu coal-fired power plant in Kenya. The report had proposed that the project “has been found to be one of the largest point sources of air pollution and mercury in all of Kenya. The report finds that due to highly polluting technology, the emissions impacts of the coal plant would be much worse exceeding the emissions limits of new coal-fired power plants in the EU, USA or in China” (Embassy of Sweden [13]). A similar study was conducted to identify significant environmental consequences in another China-owned project, the Tigyt power plant in Myanmar. “Again, emission limits were found to be much higher than international best practices, from 4 to 10 times higher. These levels of air pollution could cause harm to the health and livelihoods of the nearby population” (Embassy of Sweden [13]).

Despite such distinct shortcomings, little investment has been made in other renewable energy sources along the OBOR initiative so far. For example, the Silk Road Fund made over 90% of its energy-sector investments in fossil fuel projects even when Chinese financing and exports are not limited to such category. Moreover, between 2013 and 2016, Chinese financial institutions invested \$15 billion in coal projects abroad. (Nakano). The escalated use of raw materials and the currently lacking focus on renewable energy sources must be viewed with concern and need more transparent monitoring and assessment mechanisms to be in place (Embassy of Sweden [11]).

Further Environmental Risks

Not only do our concerns lie in current data of immediate impacts from the OBOR but fear also lies in future risks that can cause unrecoverable circumstances. It is just as important, if not more important, to understand risks in order to construct a procedure for the prevention of them, as it is to stop/recover so-far caused damages.

Further elaborating of the concern of energy, some observers fear that China will not only use carbon-intensive sources to develop the project but use the OBOR initiative to export and spread its fossil fuel-based economy to the developing world. Since China attempts to reposition itself in the global economy by focusing on higher-value goods and services, “high-emission manufacturing industries may migrate to developing OBOR host nations” (Shier). Several coal-fired power plant projects backed by China are already in the pipeline in many of the BRI host nations—and many more built over the past several years have already begun to generate electricity. As of late 2016, Chinese banks and companies were involved in 240 coal projects in BRI host nations, 106 of which were still under construction or in the pipeline (i.e., planned or signed). It is likely that many of these projects contributed to the one percent increase in global coal consumption in 2017, the first rise in coal consumption in three years, which was driven mainly by coal-fired electricity generation in Asia. Construction in Pakistan along the China-Pakistan economic corridor, a centerpiece of BRI, will feature new coal-burning power plants. (Shier)

Another big environmental concern is that many of the OBOR’s major corridors pass through ecologically sensitive areas. Increasing interconnectivity in Eurasia through the initiative may sound only positive, but this requires the inevitable dissection of natural environments with miles of roads and rails, and such disruptions would threaten the plants and animals of the surrounding ecosystems.

A 2017 report published by the World Wildlife Fund (WWF) noted that there will be considerable overlap between BRI projects and sensitive environments: As many as 1,739 Important Bird Areas and Key Biodiversity Areas, 46 biodiversity hotspots, and Global 200 ecoregions were identified to be at risk of harm. Over 265 threatened species could be adversely affected—including critically endangered tiger species, saiga antelopes, and the giant pandas. (“WWF and Greening”) Increasing access to undeveloped areas of forest will increase the likelihood of poaching and deforestation in those areas. Unless proper safeguards are implemented, the ecological impacts along the Belt and Road Initiative (BRI)’s corridors could be considerable. (Shier)

As a specific example, a scheduled dam construction on the island of Sumatra currently poses serious threats to the jungle of the highly diverse Batang Toru ecosystem. China’s state-owned hydropower company Sinohydro runs this project which includes the blasting of a tunnel, construction of access roads, and flooding of a wide expanse of the jungle (Shier). “Prominent professors and environmental activists wrote a letter to the President of Indonesia in July 2018, urging him to cancel the construction. Subsequently, multilateral financiers such as the Asian Development Bank and the World Bank’s International Finance Corporation deemed this project too ecologically harmful to fund, but Sinohydro may yet receive funding from the state-owned Bank of China” (Shier). This scenario definitely shows a lack of transparency as well as depicting how monetary incentives can drive governments to prioritize economic gain while ignoring the great ecological risks. These issues are in need of solutions and regulations.

Major Parties Involved

People's Republic of China

Being the conductor of the initiative, China holds both great responsibility and power over the One Belt One Road project. Thus, many organizations correlated to this project are also founded by or on this party. While this party may hold the opportunity for the largest benefit, it is also challenged with many risks, especially in the environmental aspect. Attention must be focused so that no monetary incentive of the country leads to the abuse of natural resources and environment.

UN Environment

UN Environment has a clear mandate to assist countries in achieving sustainable development. The Belt and Road Initiative presents a window of opportunity in which UN Environment can help recipient countries use Belt and Road investments to achieve the Sustainable Development Goals.

The main focus will be to work with countries that receive Belt and Road investments in order to help them establish the enabling conditions that will ensure that the investments are environmentally sustainable. UN Environment will also be working with Chinese counterparts to support green investment. UN Environment has the convening power to bring together the wide range of stakeholders to collaborate in ensuring the sustainability of the Belt and Road Initiative. ("The Belt").

Belt and Road Initiative International Green Development Coalition (BRIGC)

President Xi Jinping had established BRIGC at the first Belt and Road Forum for International Cooperation (BRF) in May 2017. In April 2019, BRIGC was officially launched in the Thematic Forum of the second BRF and it has collected more than 130 partners by May 2019. (*BRI International* [1])

BRIGC is an open, inclusive and voluntary international network which aims to incorporate green development into the OBOR initiative. It promotes international consensus and collective actions on the development of OBOR (providing platforms for policy dialogue and communication) and also works toward the successful implementation of the 2030 Sustainable Development Goals. The specific thematic fields of BRIGC includes "Green energy and energy efficiency, Green finance and investment, improvement of environmental quality and green city, Green technology innovation and corporate social responsibility" (*BRI International* [1]).

International Institute for Sustainable Development (IISD)

Over 100 international and Chinese partner institutions are included in this Belt and Road Initiative International Green Development Coalition (BRIGC). The International Institute for Sustainable Development (IISD) is a leading partner.

IISD has a long history helping governments integrate sustainability into legal and policy frameworks for investment. Infrastructure sustainability is another core area of work for IISD, including its research on green finance, infrastructure, and procurement ("Coalition Aims").

Asia Infrastructure Investment Bank (AIIB)

In addition to the major multinational funds such as the World Bank and the Asian Development Bank, the Asia Infrastructure Investment Bank (AIIB) is a source which helps finance OBOR projects.

The AIIB was initiated by China and officially founded by 50 countries in 2015. Since then, AIIB has been representative of China's varied energy investments, "supporting the construction of a combined-cycle gas power plant in Myanmar, a hydropower facility in Pakistan, and the Trans-Anatolian gas pipeline" (Shier).

World Wide Fund for Nature (WWF)

The World Wide Fund for Nature (WWF) is an international non-governmental form working in the field of wildlife preservation. WWF is currently active in 33 of the 64 OBOR countries ("WWF and Greening"). Several of these offices meet to discuss further work on greening the OBOR and they specifically provide research and recommendations to achieve sustainability in OBOR projects.

Natural Resources Defense Council (NRDC)

At the invitation of China's Ministry of Ecology and Environment, the NRDC has joined the Belt and Road Initiative International Green Development Coalition (BRIGC) as an international partner in the Thematic Partnership on Environmental Laws, Regulations and Standards. NRDC will collaborate with other partners and focus on research and knowledge sharing to support establishing a BRI environmental laws and regulations database, conduct research on ecological and environmental standards, and facilitate the third "Belt and Road" Environmental Legislation Cooperation and Exchange Forum. ("NRDC Joins")

Previous Attempts to Resolve the Issue

Although not at the stage of technical implementation, there has been several efforts in the past, which continues till now, to ensure environmental sustainability for the One Belt One Road Initiative:

The Second Belt and Road Forum

Following the first Belt and Road Forum on May 14-15, 2017, President Xi Jinping invited leaders and delegates from all OBOR related countries to the second Belt and Road forum in Beijing on April 25-27, 2019.

Firstly, the forum provided an opportunity for China to demonstrate that they're aware and adapting the project to address environmental concerns. For example, one draft communique was revised to include new language on debt sustainability and environmental concerns (Goodman and Hillman). Additionally, Chinese officials declared that "The Beijing Initiative for Clean Silk Road [had] been launched, which represents [they're] strong commitment to transparency and clean governance in pursuing OBOR cooperation" (The Second).

An OBOR big data platform was also launched at the forum. "With five sub-platforms, including the Shanghai Cooperation Organization's (SCO) Environmental Information Sharing Platform and Green Supply Chain Platform, the program planned to provide environmental data support to OBOR countries" (Belt & Road News). Such information exchange included environmental protection standards and laws, environmental policies and management measures, technical exchange, and industry cooperation (Belt & Road News).

Also, following through on president Xi's call for its creation two years ago, the Belt and Road International Green Development Coalition (BRIGC) was launched at this second forum, in an effort to align the BRI's environmental sustainability principles with the 2030 agenda. The coalition was co-initiated by the UN Environment Program and the Chinese Ministry of Ecology and Environment (Nanako). This coalition could be another tool to help the UN's effort and contribution on the matter of the OBOR's environmental sustainability.

Chinese Corporations

In 2013, China issued the Guidelines for Environmental Protection in Foreign Investment and Cooperation. This was to guide enterprises to reinforce environmental awareness, perform environmental responsibilities, observe environmental laws and regulations of the host country, conduct environmental impact assessment, implement emergency management and ensure the emission of pollutants meet the standards. Furthermore, in December 2016, 19 global companies of China jointly launched an Initiative on Corporate Environmental Responsibility Fulfillment for Building the Green Belt and Road. Participating Chinese enterprises declared that they will abide by the given guidelines and contribute to the international production capacity cooperation. (China Council [7])

International Efforts

There have also been constant efforts to improve regional environmental governance capacities. Specifically, regarding such matter in Africa, The Forum on China Africa Cooperation (FOCAC) proposed to implement a China-Africa Green Development Plan for their OBOR projects. 50 foreign aid programs on green development and ecological and environmental protection were committed to be implemented in Africa. Additionally, China established Environmental Cooperation Centers in regions such as Africa, Lancang-Mekong, Cambodia to boost their capacity to realize green, low carbon and sustainable development. Furthermore, in order to push forward the technical environmental capacity building and personnel exchanges such countries, the Chinese

government embarked on a Green Silk Road Envoys Program to discuss issues ranging from environmental impact assessment, air pollution control to water pollution control. By far, over 1,100 delegates have participated in capacity building activities on environmental governance through Green Silk Road Envoys Program. (China Council [7])

Green Technology

Enterprises and environmental NGOs are advocating for high-efficiency clean technologies in OBOR countries. This was formally initiated when the Belt and Road Science, Technology and Innovation Cooperation Action Plan came into force in October 2016. The plan stated that key areas for technological cooperation should fully integrate energy efficiency and emission reduction methods through means such as promoting clean and efficient use of conventional energy (e.g. coal, oil and gas) and promoting cooperative development of new energy vehicles and crucial generic technologies. Currently, Chinese businesses and environmental NGOs are striving to push forward high efficiency clean technology projects operational in OBOR countries (China Council [7]).

Despite the efforts of the UN Environment council and external organizations, the OBOR Initiative needs more effort to achieve environmental sustainability.

Possible Solutions

As currently the issue of the BRI's environmental sustainability mostly remains as an opening, here are some important aspects of the issue that has to be tackled in order to effectuate the plans:

- Monitoring the implementation and ensuring the transparency of existing plans and policies
 - As previously mentioned, seeing that though specific plans exist, the implementation of them are unclear, it is vital to have a formal policy regarding the monitoring of execution and transparency. (ex. annual reports, third party organizations' intervention)
- Negotiating general environmental laws, regulations, and standards under the initiative
 - Develop policies to protect Biodiversity and Ecosystem Management
 - Consolidating corporate social responsibility; Financing agencies should implement strict requirements on the projects that they support (ex. committing to only invest in sustainable infrastructure that complies with high environmental and social governance (ESG) standards)
 - Although the OBOR initiative is conducted under China's call for action, there must be a common understanding and goal for every party involved in the project in order to provide consistent and synchronized support towards the goal.

- Conducting communication (ex. forums) amongst different OBOR stakeholder groups, including business entities, research institutes, organizations, and governments
 - On a similar note to the previous point, constant communication is vital in such a multi-national project in order to allocate dispersed resources to a maximum efficiency, following up with the progress (investing interest in the most needed areas). Furthermore, communication will allow for the prevention of any corruption or inequality between involved countries.
- Further investigating in green technology innovation, green energy, and sustainable transportation
 - Also having been mentioned in the context, one of the biggest reasons behind the hindrance towards the achievement of environmental sustainability is the lack of investigation in green technology. If planning to incorporate green technology to the project, it is necessary to first achieve the scientific/technical establishment of it.
- Advancing a joint research network which could share information/data, provide support, and provide policy recommendations for green development in the OBOR regions
 - Not only is it important to conduct constant research to track progress or advance technology, but it is also more efficient and have a joint network to share the information. (distribution of research and synchronized progress)
- Raising environmental awareness with active use of media or political campaigns (especially in local areas)
 - Awareness is another significant aspect to the issue, not only regarding transparency but also considering external contributions that can be made from the project's local areas. In order to achieve genuine environmental sustainability, the efforts must last even after the constructions are complete, to the life with the usage of the New Silk Road.
- Assisting less developed OBOR countries in greening their financial systems
 - One of the main aims of the initiative is shared economic growth and prosperity throughout the world; To achieve such goal, assist must be provided so that LEDCs can undertake the projects in a sustainable manner, both economically and environmentally.

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Useful Resources

- <https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative>
- <https://chinapower.csis.org/china-belt-and-road-initiative/>
- <https://www.oecd.org/finance/Chinas-Belt-and-Road-Initiative-in-the-global-trade-investment-and-finance-landscape.pdf>
- <https://www.beltandroad.news/2019/05/23/the-pros-and-cons-of-chinas-flexible-approach-to-belt-road/>
- <https://www.csis.org/analysis/greening-or-greenwashing-belt-and-road-initiative>
- <http://www.un.org.cn/info/7/966.html>
- <https://www.eesi.org/articles/view/exploring-the-environmental-repercussions-of-chinas-belt-and-road-initiative>