



## As China eyes global clout with Belt and Road Initiative, what price will the environment pay?

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President Donald Trump second guessed himself this month, as he [announced a decision to revisit](#) his withdrawal of the United States from the Trans-Pacific Partnership, [one of the first acts of his controversial presidency](#).

The agreement, [already signed by 11 states](#), would eliminate 98% of tariffs in a Pacific marketplace worth close to \$14 trillion, even as Trump aims US tariffs at Asia. TPP nations have already indicated that they won't be jumping to let Trump and the United States back into the game.

This means not only that trade and investment barriers between the US and the 11 TPP states will likely remain in place, but also that the Asian economic vacuum left by the US will be filled by another nation. And that nation is most certain to be China, which, while not a TPP member, boasts total geographical dominance, a 1.4 billion population, soaring economic growth and a seemingly unquenchable thirst for its neighbours' natural resources.

At the heart of China's plan to geopolitically and economically master the region, and maybe the world, is its Belt and Road Initiative that, simply put, is the largest infrastructure project ever embarked upon in world history.

This staggering infrastructure development plan consists of hundreds of mega-projects – highways, railways, ports, airports, dams, pipelines, a state of the art power grid, and open trade and investment networks, that will encourage connectivity and cooperation spanning a vast geographical area stretching across Asia, to Europe and East Africa, involving at least 40 nations as far away as the Indian Ocean, Persian Gulf, and the South Pacific.

According to some analysts, Belt and Road, while it poses new and grave environmental threats to all of Asia and beyond, if managed properly and responsibly, could also offer extraordinary opportunities for green growth.

China rising

Asia Pacific nations – including US allies – are fast reconciling themselves to the seismic geopolitical shift taking place in their region, as the economic centre of gravity moves away from the US to a China focus, says Peter Cai, a Nonresident Fellow at the Lowry Institute, an Australian policy think tank.

This, Cai says, rings especially true now that Donald Trump is distancing the US from its long time Pacific trading partners and allies via withdrawal from the TPP, with tariffs, and potentially a trade war.

The TPP alliance now offers a relatively weak counterweight to China's economic might. Without the muscle of the US added in, the pact, signed by 11 nations bordering the Pacific Ocean (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam) will be hard pressed to compete as China moves boldly forward with its Belt and Road Initiative.

"I doubt China can completely fill the vacuum left by the US, but in the land of the blind, the one-eyed man is the king," Cai told Mongabay. He adds that the Belt and Road Initiative is one of China's key diplomatic and economic initiatives. Its real aim: to bring China's neighbours into its economic and political orbit through physical connectivity and trade integration.

“Beijing hopes to replicate its development experience abroad, and in the process, export China’s new emerging technological and engineering standards, establish itself as a preeminent economic and trade partner for neighbouring countries,” Cai said, adding that if “BRI [Belt and Road Initiative] is successful, this will bring China geopolitical clout.”

The seriousness of China’s commitment to international development and to global leadership conducted through its mega-infrastructure initiative was affirmed fully last October when the ruling Communist Party [instituted](#) the pledge to pursue BRI into its constitution.

All roads lead to, and from, China

BRI, officially known as One Belt, One Road, is the brainchild of Chinese president Xi Jinping, who in 2013 announced two multi-billion dollar infrastructure initiatives: the Silk Road Economic Belt, a land transportation route running from China to Southern Europe via Central Asia and the Middle East, and the 21st Century Maritime Silk Road, a sea route connecting the port of Shanghai to Venice, Italy, via India and Africa.

The sheer scale and mega-magnitude of these projects is daunting: they span three continents and include numerous side-branches along the way, [from the Arctic region to the Horn of Africa](#).

China state-controlled news agency Xinhua Net [reported](#) that over 100 countries and international and regional organisations have expressed an interest in participating in the initiative, and more than 40 of them have signed cooperation agreements with China. [According to ratings agency Fitch](#), \$900 billion in projects are planned or underway, with BRI’s investments dwarfing any other initiative launched by a single country in history, including the Marshall Plan that rebuilt Europe after World War II.

BRI has already leaped off the drawing board and begun changing the global landscape. Official Chinese statistics quoted [in a report](#) by financial services company Northern Trust claim that 47% of China’s 102 central-government-owned business conglomerates have so far participated in 1,676 BRI projects. China Communications Construction Group alone has built 10,320 kilometers (6,412 miles) of road, 95 deepwater ports, 10 airports, 152 bridges and 2,080 railways around the world.

Today, China-led construction projects seem to be [underway everywhere](#), from Sri Lanka’s Colombo Port City to Indonesia’s Jakarta-Bandung high-speed railway and Kenya’s Mombasa-Nairobi railway.

BRI meets the environment

President Xi Jinping, [addressing](#) heads of state, government representatives, and international organisations at the opening of the Belt and Road Forum in May 2017, committed China and its partners to an environmentally-friendly BRI.

We “should pursue the new vision of green development and a way of life and work that is green, low-carbon, circular and sustainable.” Said Xi. “Efforts should be made to strengthen cooperation in ecological and environmental protection and build a sound ecosystem so as to realise the goals set by the [United Nation’s] 2030 [Agenda for Sustainable Development](#).”

Xi added: “We will set up a big data service platform on ecological and environmental protection. We propose the establishment of an international coalition for green development on the Belt and Road, and we will provide support to related countries in adapting to climate change.”

But regardless of Xi’s promises, major environmental impacts from such a vast array of infrastructure projects seem inevitable, warned Courtney Weatherby, Research Analyst for the Southeast Asia Program at the Washington DC-based Stimson Center.

These impacts, she said, could be mitigated by adhering to international best practices, including the implementation of high standards for social and environmental impact assessments, consultation with impacted communities, and making good-faith efforts to address impacts which happen as a result of each project.

One question of great concern to environmentalists is transparency. History has shown that rigorous environmental protections are most likely to be instituted and enforced in open societies where an independent judicial branch, media, activists and public can freely challenge government and business interests. China has no such history, and its construction projects around the world have [long been plagued](#) by a [troubling environmental record](#).

Race to the bottom?

A key question, Weatherby said, is whether BRI project developers will adhere to international best practices or will only aim to meet local environmental requirements, even when those local environmental standards are low – resulting in a race to the bottom.

“China has previously cited a ‘pollute first, control later’ concept, arguing that economic development must happen before full attention can be paid to environmental issues,” Weatherby said. She stressed that, while this policy has improved in recent years, many Chinese companies still have a reputation for meeting local environmental standards and not going beyond that – even when they may have the capacity to do so.

“The [environmental] standards that Chinese financiers and developers employ will therefore be a key factor in determining the ultimate environmental outcome of BRI projects, and it is not yet clear whether the Chinese government or financial institutions will require best practices, or have any way of monitoring BRI-funded projects to ensure that they meet anticipated standards,” she said.

Eugene Simonov, a coordinator at the Rivers Without Boundaries International Coalition, believes that BRI poses many environmental risks, including the export and proliferation of dirty and destructive technologies such as coal and large hydro, increased fragmentation of natural landscapes, intensified use of water resources in water-scarce regions, and destruction of forests.

“Do we want to live in a world [driven by the] ‘Belt and Road’ development model, or [do] we collectively have enough common sense and skills to transform [the world] in a more sustainable development pattern?” Simonov asked in an email to Mongabay.

Environmental commitments, at least on paper

In late 2016, a group of 20 NGOs from 11 countries discussed BRI and the environment at a workshop in Moscow, Russia. The meeting’s outcome was the [Green Silk Road Initiative Declaration](#), a call-to-action meant to unify civil society in pushing for BRI to employ environmentally sound development strategies, shape green economy and green finance mechanisms, and ensure adherence to the highest international social and environmental standards.

“China is one of the first countries that has become conscious that it is facing a full-fledged environmental crisis, and it is trying domestically to resolve [that crisis] through systemic transformation,” said Simonov, who cited China’s [“Ecological Civilisation”](#) reform plan that the Communist Party of the China Central Committee and the State Council published in 2015.

The idea behind this plan is to “respect, protect, and stay in tune with nature” by incorporating ecological conservation into every aspect of the development process. This Ecological Civilisation pledge was backed by a series of new environmental policies, including an updated Chinese Environmental Protection Act, plus logging bans.

Simonov suggests that BRI can do both economic and environmental good only if the mega-infrastructure initiative is fully aligned with the Ecological Civilisation policy. “China provides an encouraging example of an attempt to solve serious social and environmental problems, which have accumulated over a long period, while creating mechanisms for sustainable development,” he says.

Simonov believes that China is already conscious of existing environmental lapses and double-standards in its domestic and overseas development priorities and plans, and he emphasises that this is why in Spring 2017 the country issued its [“Guidance on Promoting Green Belt and Road.”](#) That document, he said, dictates that BRI should follow “the principle of being resource efficient and environment-friendly, imbed the concept of green into the efforts in policy coordination, facilitate connectivity, unimpeded trade, financial integration and people-to-people bonds... and incorporate eco-environment protection into all aspects and whole process of the ‘Belt and Road’ building.”

It remains to be seen whether China will be able to generate international cooperation for, and follow through with, its Ecological Civilisation principles, but Simonov sees the new Guidance as “a very encouraging first step in that direction.”

Jinmei Liu, an environmental lawyer at ClientEarth, has serious doubts about China’s environmental commitment, and whether the country can put its high-flown pledges into action. The government has developed many environmental and social guidelines that are soft and non-binding, she explained, adding that, even as China has pursued green investments, many of its BRI projects are oil and gas-focused, leading to greater fossil fuel development, and potentially greater greenhouse gas emissions and climate instability.

She also is concerned about BRI’s lack of a unified overall environmental policy. “Because the BRI is a broader economic development plan, made up of distinct projects, it [offers] less of a strict regulatory system to work within, she said. But she remains somewhat hopeful regarding the initiative’s “sets of guiding

principles.” Liu noted that China recently passed a new overseas investment law, which restricts financial investment in projects that violate host country environmental standards.

Though the BRI lacks overarching environmental regulations, the Asian Infrastructure Investment Bank, the primary investor in BRI projects, does have social safeguards. More in-depth standards currently depend on negotiations between China and the host country for each specific project.

BRI: bright or clouded future?

As BRI infrastructure projects move steadily from blueprint to realisation, analysts continue to ask how a fully fleshed out BRI will impact the global environment. Will the nearly trillion dollar initiative fulfill China’s promise of containing greenhouse gas emissions, while being sustainable and benefiting local communities?

The answer is hard to know, as the New Silk Road isn’t expected to be [completed until 2049](#), but Weatherby believes it all comes down to questions concerning BRI’s funding priorities and project standards: “If China deploys its funds in a way that prioritises renewable energy projects, utilises advanced and efficient technology for energy transmission infrastructure, supports the development of public transit systems, and holds project developers to high environmental governance standards, then BRI could have significant benefits for the region.”

It would help, she added, if China would embrace the same, or similar, governance norms and climate change risk mitigation strategies that international banks and private sector funders from Western countries have instituted. There are especially good opportunities in the area of energy production, Weatherby said, where China could bring its large solar and wind production capacity, and the lessons learned from deploying those alternative technologies at home, to support the expansion of renewable and low-carbon energy solutions abroad.

“With the United States government pulling back in this arena, there is an opportunity for China to step in and play a leadership role,” she concluded. “The question is whether or not the political will exists to do so, foregoing opportunities to make a quick profit for Chinese industries currently experiencing overcapacity and looking to export it abroad, in favour of supporting long-term sustainable development.”

Regardless, if the lion’s share of Belt and Road Initiative projects are built, it is clear that China’s mega-infrastructure program is so big, so wide ranging, so all encompassing, that it will shape the environmental future of many nations, and of our planet for decades to come.

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