Silk Road Strategy and Public Participation in Development Process
20th Meeting of the Aarhus WGoP. June 2016

Eugene Simonov, D.C.
Rivers without Boundaries
The Rivers without Boundaries Coalition works on Protection of Eurasian Transboundary Rivers.

China has 17 such basins.
One Road, One Belt for Eurasia

The China-led New Silk Road also known as OBOR (its terrestrial part - Silk Road Economic Belt) is now a driver for development in the whole region.

70 countries already take part in it, majority of them are UNECE Member States and many are Parties to different UNECE environmental agreements.

UNECE countries and intergovernmental bodies should help China to draw from UNECE pan-European experience and China's own domestic "Ecological Civilization Policy" as a toolbox to establish successful model of environmental governance and public participation the continent-wide "New Silk Road".
China Context:

Airpocalypse as symbol of crisis

Nowadays China is the first nation hit by ecological crisis beyond adaptation capacity in business-as-usual mode

Main signs of crisis in China:
- extreme pollution
- massive land\habitat degradation
- natural resource depletion
- social protest on env.grounds
- migration triggered by degradation of environment
An integrated reform plan for "promoting ecological progress", which consists of 56 articles and 30 objectives, was released by the Communist Party of China (CPC) Central Committee and the State Council on Sept 21, 2015.

By 2020 "Ecological Civilization" will bring into effect all policies, strategies and plans for greening the economy and achieving sustainable development.
Ecological Civilization Policy will help to advance practically every Sustainable Development Goal.
(Some) Principles of Eco-civilization:

"China’s market mechanisms need to be improved, and the government should make better use of its leadership and regulatory roles. Those in the business sector should bring their own initiative into play and exercise self-restraint. Social organizations and the general public should participate and play a supervising role in ecological conservation".

"Combining China’s own independent efforts with international cooperation. Take an active part in global environmental governance, and assume and perform its international responsibilities as a large developing country".
Ecological Civilization Policy of China in 56 Policy Directions

#38. Improving systems for public disclosure of environmental information

To ensure public availability of environmental information on the atmosphere, water, and so on, to businesses that emit pollution, and to regulatory bodies. The mechanism for the public release of EIA for development projects will be improved.

To promote awareness for environmental protection among the general public, the system of public participation will be improved, and more work needs to be done to ensure that the people exercise oversight over the environment in a legal and orderly way. An online offense-reporting platform will be created and systems for offense-reporting, hearings, and public opinion-based oversight will be improved.
Practical steps: Ecological Function Zoning 2015

Генеральная схема зонирования охраны экосистемных функций в КНР

Source: Ministry of Environmental Protection
Eco-county= small business development

Heilongjiang Province, Mohe County
Export of "dirty" industries to neighbors

In future this ecological development path will serve as important lesson to all neighboring nations, but at the same time in a short term stricter environmental policies within China lead to massive flux of "dirty" and resource-intensive technologies to adjacent countries.

Chinese gold-mining vessels in Kudecha, Zabaikalsky Krai.
China’s New Silk Road Initiative

- The OBOR Initiative "aims to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries, set up all-dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries".

- "The Belt and Road Initiative is a systematic project....and efforts should be made to integrate the development strategies of the countries along the Belt and Road ".

- "We should carry forward the spirit of friendly cooperation of the Silk Road by promoting extensive cultural and academic exchanges, personnel exchanges and cooperation, media cooperation, youth exchanges and volunteer services, so as to win public support for deepening bilateral and multilateral cooperation ". 
Lack of Environmental and Social Safeguards

- The OBOR "Vision" document contains many important key-words on "ecological progress in conducting investment and trade, increased cooperation in conserving eco-environment, protecting biodiversity, and tackling climate change, and joining hands to make the Silk Road an environment-friendly one".

- However, while it has clear description of basic financial, infrastructure, trade and cultural policies to be used in OBOR, the document does not contain any clear structured policy guidance on ways to ensure environmental sustainability. No one overseas environmental aspects of the OBOR.

- No public participation mechanisms and information disclosure standards mentioned in OBOR Policy.
Participatory Efforts Underway:

- Multilateral think-tank meetings (e.g. China-Russia-Mongolia) without attempt to assess Silk Road Plans objectively.
- Mass-Media Forums largely discussing how to promote the New Silk Road
- International Conferences to explain to various official audiences the Silk Road Policy and progress achieved so far
- Public Relations events held by finance institutes (e.g. upcoming AIIB workshop)
So Far Silk Road Initiative lacks tools to ensure achieving many SDGs:

- Likely Supported
- No Data
- Tools lacking
- Major obstacles
Unintended impacts resulting from this grand Strategy may produce a new "rust belt" in the middle of Eurasian continent.

"Corridors and cities (built on the New Silk Road) must not be locked into unsustainable infrastructure and urbanization patterns. Development driven by natural resource extraction, with minimal social and environment concerns, are intrinsically unsustainabe".

Shamshad Akhtar,
UNESCAP Executive Secretary

Example 1. Land-related conflicts

In 2015 "China Xinban Co." proposed to lease 115 000 ha of agricultural land in Zabaikalsky Province in Siberia. This evoked criticism from many stakeholders, resulted in demonstrations and petitions to the Duma, forcing authorities to cancel the project.

In 2016 proposed change in land lease duration triggered protests in several provinces of Kazakhstan against "China grabbing out lands".

Lack of clarity on land tenure, rights of local communities, benefits and impacts from Argo-investors and weak public oversight mechanisms make agricultural land one of the most flammable issues in the Silk Road countries.
Example 2: **3 dams planned in Mongolia's part of Lake Baikal Basin** with Egiin Hydro funded by China EXIMBANK. Refusal to disclose and discuss environmental impacts lead to wide protest campaign, with use of many international mechanisms like World Bank Inspection Panel, World Heritage committee, etc.
Example 3: China exporting "Excess industrial capacity" to 20 countries

- Since 2015 due to overproduction China promotes exporting various industrial facilities to other Silk Road Countries
- No information from receiving countries on any (strategic) environmental assessment or CBA to select what they really need
- No (multi-)stakeholder participation in discussing proposed deals and schemes
- Huge wave of public criticism in Russian, Kyrgyz Republic and other countries.
High-level concern:

"By pushing into our countries "excess industrial capacity" you discredit the very idea of cooperation on the New Silk Road. Instead of getting rid of old plants you should have started from assessing together with us what our countries really need for future development..."

Djomart Otorbaev. Prime Minister of Kyrgyz Republic in 2014-2015
Silk Belt Challenge - RwB Concerns

"Civil society members of Eurasian countries see an urgent need for the Silk Belt to adopt advanced environmental and social standards and policies, develop public participation mechanisms and subscribe to clear environmental safeguards in transboundary water management, etc. Without such safeguards risks of this new integration for environment and local communities may be very high. " (RwB. Water Convention COP in Budapest, 2015)

" We ask UNECE Member States to explore possibility for initiating a process through which environmental and social standards already agreed within UNECE are promoted to and used when developing Silk Road Economic Belt. Depending on your action or inaction now the New Silk Road Strategy may become the greatest promise or the greatest drawback for green development in Eurasia as well as decisive factor in improvement or deterioration of public participation mechanisms in development processes. (RwB. EfE conference, Batumi. 2016)
Bridging the UNECE Pan-European Strategic Framework for Greening the Economy with the New Silk Road Strategy

Green Development potential of Eurasia is large but attracts less investors from China

In 2015 international CSOs urged AIIB to develop more proactive green development policy. AIIB promised to do it in future...
First trial: AIIB consultations with CSOs

Oct. 2015 Consultations: CSOs/NGOs - Consultation Process

- Appreciation that a draft Environmental and Social Framework has been prepared and disclosed to the public
- Appreciation that a consultation process is being undertaken by the Secretariat and recognition that it is labor intensive
- Consultation process does not allow adequate time for engagement and input from civil society as broadly defined
- Process should be conducted over a 3-6 month period
- Draft Environmental and Social Framework should be made available in multiple languages that are used in Asia
- “Face to Face” consultations, with translation, should be undertaken in multiple locations with adequate advance notice
- Formal rules should be developed and agreed to by civil society for the consultation process
- Summary and all written submissions should be posted

Result: On CSO requests consultations were extended.

Final ESF includes ecosystem services as requested by the RwB.

However all other OBOR investment banks and funds have no participatory mechanisms and env. standards
Mobilized Financial Institutions of Silk Road:

<table>
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<tr>
<th>Institution</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Asian Infrastructure Investment Bank</td>
<td>US$100 billion</td>
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<tr>
<td>New Development Bank</td>
<td>US$50 billion</td>
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<tr>
<td>BRI CS Contingent Reserve Arrangement</td>
<td>US$100 billion</td>
</tr>
<tr>
<td>Silk Road Fund</td>
<td>US$40 billion</td>
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<td>Maritime Silk Road Bank</td>
<td>US$5 billion</td>
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<td>China Insurance Investment Fund</td>
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<tr>
<td>Green Silk Road Fund</td>
<td>US$4.8 billion</td>
</tr>
<tr>
<td>CITIC Bank Corp</td>
<td>$16.1 billion</td>
</tr>
<tr>
<td>China South-South Climate Cooperation Fund</td>
<td>US$3 billion</td>
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<tr>
<td>China Investment Corporation</td>
<td>US$575 billion</td>
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<tr>
<td>Russia-China Investment Fund</td>
<td>US$2-4 billion</td>
</tr>
<tr>
<td>China-CEE Fund</td>
<td>US$3 billion</td>
</tr>
<tr>
<td>China-Eurasia Economic Cooperation Fund</td>
<td>US$1 billion</td>
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+ "China Policy Banks":

<table>
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<tr>
<th>Institution</th>
<th>Amount</th>
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<tbody>
<tr>
<td>China Development Bank (CDB)</td>
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<tr>
<td>Export-Import Bank of China</td>
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<tr>
<td>China Agricultural Development Bank</td>
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<td>+Commercial banks: ICBC, Bank of China, China Construction Bank, etc.</td>
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Accountability of Financial Institutions:

By mid 2016 China mobilized 25+ banks and funds with investment capital more than USD 1 000 000 000 000 to support Silk Road Initiative.

Environmental and social frameworks developed by most institutions are not available to population of OBOR countries in national languages of even English. Many of them lack public participation/grievance procedures and do not publicize results of environmental and social assessments for funded projects. This creates real problem for project oversight both from state entities and civil society.
UNECE Environmental Conventions and Protocols Should be Used on the Silk Road

- Convention on the Protection and Use of Transboundary Watercourses and International Lakes
- Convention on Environmental Impact Assessment in a Transboundary Context (Espoo) and the Protocol on Strategic Environmental Assessment (Kiev)
- Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters
- Convention on the Transboundary Effects of Industrial Accidents
- Convention on Long-range Transboundary Air Pollution
New Silk Road Needs Aarhus Convention Involvement to establish

- Unified minimal environmental and social requirements and criteria for information disclosure in project investments made in OBOR countries could significantly improve the situation and reduce risks for all investments.

- Public participation mechanisms in planning, SEA and ESIA and other processes should correspond to highest Aarhus Convention standards.

- Strong green development policy needed to harmonize "Ecological Civilization" development inside China with Silk Road Initiative directed at its neighbors. This is impossible without wide public involvement and transboundary multi-stakeholder forums discussing solutions and way to promote them.
Strategic Environmental Assessment Tools

China’s objective to jointly build a green Silk Road will not be achieved without the strategic environmental assessment and environmental impact assessment tools in a transboundary context. Thus Kiev Protocol on Strategic Environmental Assessment to the Espoo Convention may provide important common planning tool for OBOR countries.

Strategic Environmental Assessment is particularly valuable tool when it comes to design and transboundary coordination of various spatial planning mechanisms, a high priority task for China and its neighbors.
Example: Basin-wide assessment of hydropower impacts with wide stakeholder involvement

In 2012-2015 a Basin-wide assessment of hydropower impacts in Amur River Basin helped to exclude most dangerous dams from further planning (En+, WWF, 2015).
SHIFT IN TRANSBOUNDARY RIVER MANAGEMENT POLICIES

- Previously China reserved water on its own territory and was not risking to share with neighbors comprehensive joint river basin-protection and management plans and mechanisms.

- Now as China invests in development of adjacent countries its interests and policies likely to change to ensure that sufficient water resources are available for those development efforts.

- Such change is already obvious in the Mekong River Basin, where in 2016 China launched Langcang-Mekong Initiative and widely publicized an effort to share water to alleviate drought in downstream countries.

- The question is how to convince China to use proven international tools in transboundary basins, disclose and discuss with stakeholders water-related data and plans.
Ecological Networks - necessary component of the Silk Road initiative

Sino-Russian Strategy on Transboundary Network of Protected Areas in Amur river Basin was signed in 2011 and can become part of Silk Road Initiative.
Green Silk Road Initiative

- RwB started consultations with various stakeholders in CIS and beyond on necessity to develop common civil society platform to assist greening of the Silk Road policies and practices.

- We seek to develop widely supported socio-ecological requirements to development projects\programs in the countries of the Silk road and discuss them with governments\business
Thank You!!

For more information write to

coalition@riverswithoutboundaries.org

also see www.transrivers.org