



BRI GREEN REVIEW

Secretariat of BRI International Green Development Coalition

2021 Annual General Meeting of the China Council
for International Cooperation on Environment
and Development (CCICED)

Open Forum on Green BRI and 2030 Agenda for Sustainable Development

Organized by: BRI International Green Development Coalition (BRIGC)
ClientEarth
World Resources Institute (WRI)

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SPECIAL ISSUE

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On September 8, 2021, the Open Forum on “Green BRI and 2030 Agenda for Sustainable Development” of 2021 Annual General Meeting of the China Council for International Cooperation on Environment and Development (CCICED) was held in Beijing. Mr. Zhao Yingmin, CCICED Secretary General, Convener of the BRIGC Advisory Committee, and Vice Minister of Ecology and Environment of China; and Mr. Erik Solheim, CCICED Vice Chairperson and Convener of the BRIGC Advisory Committee, attended and addressed the opening session. The Open Forum, organized by BRI International Green Development Coalition (BRIGC), ClientEarth and World Resources Institute (WRI), focuses on the following topics: BRI green development and climate change response (SDG 13); BRI green development and biodiversity conservation (SDG 15); and BRI green development and post-pandemic resilient recovery. More than a dozen of CCICED members and special advisors attended the Open Forum, and nearly 150 representatives from environmental authorities of China and BRI participating countries, international organizations, foreign embassies in China, universities and think tanks engaged in discussions on site and online. They include representatives of the Ministry of Ecology and Environment, the National Development and Reform Commission, and the Ministry of Transport of China, Department of Environment of Iran, Ministry of Natural Resources and Environment of the Laos, National Parks Board of Singapore, UNESCAP, UNEP, the Norwegian Embassy in China, the Australian Embassy in China, Tsinghua University, University of International Business and Economics, CICC Global Institute, WWF, and The Nature Conservancy (TNC).

Besides, during the 2021 CCICED Annual General Meeting (AGM), international partners also gave reflections on BRI green development in the Closing Session, the Forum of “Ecological Civilization: Building a Harmonious and Beautiful World for All” and the Forum of “From Biodiversity to Climate Change: Gathering New Impetus of Global Green Value Chains”.

Here are some of the remarks from guests.

Opening Remarks

Mr. Zhao Yingmin

**CCICED Secretary General, Convener of the BRIGC Advisory Committee,
Vice Minister of the Ministry of Ecology and Environment of China (MEE)**

The Belt and Road Initiative (BRI) was first proposed by China in 2013. Eight years from then on, it has become a widely welcomed public product in the international community and an important practice to promote the building of a community of shared destiny for mankind. Over the past eight years, the world has witnessed the growing understanding of green, low-carbon and sustainable development, the enhancing green development partnerships, the rising awareness of green investment, the increasingly stronger support of ecological and environmental efforts to BRI, and the constant improvement of participating countries' capacity for environmental protection. By now, ecological and environmental cooperation has become a priority area for the building of BRI in the new era featuring high-quality development. New progress in building green Belt and Road is bringing new opportunities for BRI participating countries to realize sustainable development.

This year marks the start of China's 14th Five-Year Plan. It is also a crucial year for promoting the building of a green Silk Road in all aspects. With new developments in global environmental governance, in order to further promote the development of green BRI, I would like to share three points.

First, thoroughly aligning green Silk Road with the UN 2030 Agenda for Sustainable Development. We need to integrate the concepts of green development into the construction of the Belt and Road and actively engage in global environmental governance to promote the alignment with the goals and measures of UN 2030 Agenda for Sustainable Development and make greater contributions to the building of a community of shared destiny for mankind. We also need to encourage BRI and other overseas investment projects to implement the highest Chinese or international environmental standards, constantly improve the ecological and environmental management of BRI projects and promote concrete progress in the green development of the Belt and Road.

Second, taking addressing climate change as a priority task in the development of a green Belt and Road. Under the dual impact of the global climate crisis and the COVID-19 pandemic, promoting green and low-carbon transition has become an inevitable way out for countries to realize economic recovery. The tension between economic growth and environmental protection is prominent in BRI participating countries. Therefore, we need to work together with BRI participating countries to implement effective mitigation and adaptation measures based on their own reality, take coordinated efforts in improving the ecological and environmental quality and addressing climate change, and promote synergistic effects in de-carbonization and poverty alleviation.

Third, enhancing the role of biodiversity conservation in the development of BRI. Protecting rare species and all kinds of ecosystems, expanding biodiversity financing, and stressing biodiversity conservation in the development of BRI infrastructure projects have always been major considerations in the building of BRI. The 15th Meeting of the Conference of the Parties to the Convention on Biodiversity Conservation (CBD COP15) will be held in Kunming next month. China will work together with countries around the world, including BRI participating countries, to discuss and develop the post-2020 global biodiversity framework and plan of actions and contribute Chinese solutions to curb biodiversity loss.



Mr. Erik Solheim

CCICED Vice Chairperson, Convener of the BRIGC Advisory Committee, Advisor of WRI



About two weeks ago, President Xi Jinping went to Saihanba, the biggest man-made tree-planting area in the world. President Xi made it clear that China's ambition is to plant an area the size of the Kingdom of Belgium every year from now on to 2030. Saihanba shows how it can inspire the world by the amazing ecological and green progress in China and that is why the Belt and Road is so enormously important. The Belt and Road is by far the biggest investment programme in our era and can bring benefits to hundreds of millions of people through green investment.

Our BRI International Green Development Coalition is doing what the world really needs to do today – to use Belt and Road as a vehicle for the green development. We can celebrate quite a lot of the progress in green Belt and Road,

including all the hard work from the Green Development Guidelines for Overseas Investment and Cooperation by the Chinese government, and all the hard work from the Green Light System for Investments by BRIGC. These are instruments to drive BRI green investments. We have seen that for the first half of 2021, there was no Chinese foreign investment in coal; and in 2020 investments in wind and solar far surpassed investments in coal for the first time. We have seen nations like Bangladesh, Pakistan, Kenya are going to wind and solar. These are huge opportunities for the future development of green projects.

I'd like to suggest three areas to focus on in the time to come:

Firstly, we should focus on green finance and green technology transfer. China is now the lead provider of key technologies in solar, wind, green hydrogen, electric vehicles, high speed rail and metro systems, and so many areas, and Chinese financial institutions like the Industrial and Commercial Bank of China have promised big money for the green development in BRI participating countries. BRIGC should work closely with the private sector and help the companies to have more green technology and investment cooperation with Belt and Road countries.

Secondly, I suggest that we prioritize the better work with recipient countries which benefit from the Belt and Road. We could work with Mongolia, Indonesia, Vietnam, Pakistan, Laos, Ethiopia, South Africa and other African countries, and central Asian nations and strengthen that work. These countries are fully aware of the huge opportunities for green development through Belt and Road. With strengthened Chinese technological and financial offer, the BRI participating countries can also better showcase the achievements of BRI green development.

Finally, let me suggest that we make BRIGC and the BRI Green Development Institute a vehicle for exchanging best practice on green development. It's not just about money and technology, but also about human practice, policy and systems for green development. China has finalized the ecological redlines for protection of nature. This is now the most advanced system in any nation for protecting biodiversity and nature in heavily populated areas. China's enormous progress and best practice on pollution control can also influence the practice in recipient countries. This is not a one-way street. China and the BRI countries can learn from each other.

Session 1: BRI Green Development and Climate Change Response (SDG13)

Mr. Andrew Steer

CCICED Member, BRIGC Co-Chair, President and CEO of Bezos Earth Fund



A green BRI can set us on the right path in terms of climate change. A green BRI can set us on the right path to deliver the agreements that will be made in Kunming under the Convention on Biological Diversity. A green BRI will help countries invest in the new economy in which environment and development will be win-win. There has been some very good progress recently. The Ministry of Commerce and the Ministry of Ecology and Environment issued the new Green Development Guidelines for Overseas Investment and Cooperation. They had one very big change. Instead of simply trusting the host countries' environmental regulations, some of which were very weak, the Guidelines said that from now on we are going to set Chinese and international standards. It is about high standards. This was a very important transition, and well done for that conclusion. This is really encouraging.

If we look at the history, environmental protection started from entirely focusing on stopping doing bad things; then more recently, there is a whole new phase of environmental protection where people not only stop doing bad things, but also actively do good things. That's where the Belt and Road is today. BRI in the starting phase was a very well-intentioned set of investments where China wanted to be helpful to the rest of the world and encouraged the state-owned enterprises and financial institutions to be responsive to the needs of host countries and invest in them. Then BRI began to focus on the eco-environmental impacts of the investments and have the international standards to avoid damages. On the base of preventing environmental impacts, the current stage of BRI will promote more economic efficiency, drive new technology, reduce risks, and lead to prosperity. To this end, we must align BRI with the SDGs and use BRI as a primary financing instrument of NDCs for developing countries.

Given that BRI at the same time facilitates the travelling of goods and commodities and trade, and that China is a major importer of soft commodities, it is a wonderful opportunity for China to think about incorporating relevant trade policies and regulations in Kunming meeting to make BRI commodity trade green, which will have great impacts.

The Bezos Earth Fund is very keen to continue its participation and support to green BRI in this journey.

Mr. Zhou Wei

CCICED Member, former Chief Engineer of Ministry of Transport

The transition to green and low-carbon transportation in the context of the "30·60 carbon goals" brings both challenges and opportunities for China, which is of great relevance for other developing countries.

The challenges are mainly caused by the conflict between the rigid demand for the development of transportation fueled by people's expectation for a modern and better life and the hard constraint of common but differentiated



responsibilities in the context of the “30-60 carbon goals”. Based on international experience, the transportation industry will see a continuous increase in carbon emission for a certain period from now on, making it probably the last industrial sector to have CO₂ emissions peak in China. The only way out is to promote the transition to green and low-carbon development models to realize sustainable development. There are several recommendations. First, promote structural optimization with optimizing the structure of transportation and reduce the total carbon emission of the transportation sector as the priority. Second, promote management improvement with raising fuel consumption limits and emission standards of vehicles as the priority. Third, promote technology advancement to reduce carbon emission with the development of clean energy vehicles as the priority. Fourth, promote demand-side management with encouraging green consumption and cultural innovation as the priority.

Major opportunities generated by the low-carbon transition of transportation include policy opportunities, industry opportunities and investment opportunities. To seize the opportunities, efforts are needed in the following five aspects. First, developing carbon emission source monitoring system and emission inventory for the transportation industry. Second, improving the carbon footprint analysis of transportation to scientifically identify the time for carbon emission peaking in the transportation industry. Third, identifying phased targets for the green transition of transportation with a focus on the development of targeted policies and measures. Fourth, promoting the development of an evaluation and assessment system for the low-carbon transition of transportation and its incorporation into local, industrial, and corporate assessment systems. Fifth, allowing the market mechanism to play its role and improving the green finance and carbon trading markets while promoting the R&D of carbon cycling technologies, especially the R&D and application of technologies related to carbon sink, carbon capture and carbon storage.

Mr. Zhai Dongsheng

Director General of Belt and Road Initiative Center of National Development and Reform Commission (NDRC), China



Joint development of BRI is the major practice and an important cooperative platform for building a community of shared destiny for mankind. Addressing climate change is a common but differentiated responsibility for countries around the world. Both are closely related to the future of mankind and therefore need to be realized with concerted and coordinated actions. In this context, the building of a green Silk Road is to the interest of the coordinated development of the world.

Chinese companies are going global and actively promoting international cooperation in green energy. Through helping project hosting countries to reduce carbon emission and realize energy transition, these companies have made great contributions to the building of a green Silk Road and global efforts in addressing climate change. It is estimated that by the end of 2020, Chinese companies

participated in the construction of 416 overseas hydropower projects with a total installed capacity of 137,000 MW, and produced more than half of the world's wind turbines, 75% of PV cells and 73% of PV components. The development of green Silk Road is becoming a new highlight in the development of the Belt and Road. Besides, China not only needs to be a leader in green development, but also needs to guide BRI participating countries, mostly developing countries, to pursue green development.

Mr. Zou Ji

**CCICED Special Adviser, Advisor of the BRIGC Advisory Committee,
CEO and President of Energy Foundation China**

Promoting the transition to low-carbon development models through green cooperation is a solution offered by BRI to realize post-pandemic resilient recovery. In the transition to low-carbon development models, we should meet the growing energy demand of BRI participating countries with sustainable non-fossil energy, so as to realize the targets of “sustainable energy for all” (SDG 7) and “action on climate change” (SDG 13) of the United Nations 2030 Sustainable Development Goals.

It is recommended that we make full use of the BRIGC to establish a roundtable mechanism based on the reality of BRI participating countries with the extensive engagement of governments, businesses, and other stakeholders. Under the roundtable mechanism, we could discuss and formulate plans for green energy cooperation that meets the demand of BRI participating countries for power consumption, addressing climate change and air quality improvement. Such a mechanism is especially important for solving technical, fiscal, investment and financing issues in the large-scale development of renewable energy. Through building cooperation and communication platforms, we could gather consensus on green development.



Ms. Oyun Sanjaasuren

**Director of Division of External Affairs, Green Climate Fund, former Minister
of Environment and Green Development and former Minister
of Foreign Affairs in Mongolia**



It's a pivotal time in the fight against climate change and restoring planet and nature. China's carbon neutrality pledge by President Xi Jinping last September has instilled a renewed urgency to tackle climate crisis. The world is also watching with a lot of interest the transition scenarios and further details of the country's decarbonization, including when exactly China can peak its emissions.

The needs for green investments are huge, but they can also bring returns. We've heard in the last couple of hours, how BRI investments in infrastructure and other projects must and can align with low-emissions and climate-resilient investment criteria and follow the highest environmental and social standards. We must ensure that every single financial decision, including those for the BRI investments, considers the physical, transition and legal risks of climate change to

accurately appraise the risk-return profiles of investments.

BRI investments must also be aligned with the national priorities of partner countries including the NDCs which are currently being upgraded. The key is innovation in policy and regulatory transformation planning, including in capacity strengthening that will support countries craft green, resilient recovery measures and incorporate such measures into NDCs and stimulus packages. Financial innovations, including de-risking investments of the private sector are also significant.

We have been working with the South-South Cooperation on capacity building of partner countries on transformational planning and developing mitigation and adaptation projects. GCF is ready to work with BRIGC and contribute our part to turn the investment needs in developing countries into opportunities and actions for sustainable low-emissions infrastructure investments.

Mr. Lawrence MacDonald

Vice President for Communications at WRI

Climate change is the common challenge for the globe. IPCC's new report has again sent a warning signal. China is now playing a more active role. China's Belt and Road Initiative (BRI) is the most ambitious infrastructure investment program in history. If these investments are green there will be huge benefits for BRI partners, for China and for the rest of the world. All countries have published their Nationally Determined Commitments – the so-called NDCs – under the Paris Agreement. These NDCs should be the starting point when identifying projects for BRI investment.



I'll give you a simple example. China has the world's largest network of high-speed trains, an astonishing 23,500 miles! Low-carbon transportation systems such as these would be highly welcome in BRI countries and should be a high priority. Thanks to direction from Chinese leaders and the efforts of people like you attending this meeting, in the first half of this year, no overseas coal projects received Chinese financing or investments. This was welcome news for everybody!

Chinese leaders are encouraging this transformation. In June, President Xi repeated his call for a green BRI in a written message to the 29 Asia-Pacific countries that launched the Initiative for Belt and Road Partnership on Green Development. Soon after, the Ministry of Commerce and the Ministry of Ecology and Environment jointly issued the "Green Development Guidelines for Foreign Investment and Cooperation."

Last year we supported BRIGC to launch a "traffic light" system that codes proposed investments based on impacts to climate, environment, and biodiversity. Under the system, projects rated "green" can move swiftly, those rated "yellow" need further examination and those rated "red" should not proceed.

We are proud to be supporting China's efforts to make the BRI truly green!

Mr. Liu Hongpeng

Director, Energy Division, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)



BRI green development will serve as an effective vehicle to realize the 2030 Agenda for Sustainable Development and the Paris Agreement. In response to the spread of the COVID-19 pandemic, we are in urgent need of reliable energy supply to support healthcare, education and cold-chain transportation. Clean energy will help BRI participating countries to recover from the pandemic and work towards a low-carbon future. Most BRI participating developing countries are in the Asia-Pacific Region, where rapid economic growth results in an increase in carbon emission. Therefore, the large financing gap needs to be filled to realize climate-change-related SDGs. In some countries, the subsidy to fossil fuels exceeds the investment in renewable energy by nearly 100 billion USD. A green Silk Road is expected to contribute to the implementation of the United Nations 2030 Agenda for Sustainable Development and the Paris Agreement through

promoting investment in renewable energy. It is recommended that we further strengthen multilateral cooperation to help developing countries; increase investment in clean energy and energy services to create more jobs; and develop green and resilient modern energy infrastructure to improve energy accessibility in the Asia-Pacific Region.

Session 2:

BRI Green Development and Biodiversity Conservation (SDG15)

Mr. Arthur Hanson

**CCICED Member, Advisor of the BRIGC Advisory Committee,
Special Advisor of International Institute for Sustainable Development**

The idea of “Green is Gold” should become the guiding beacon of our present decade and well beyond. In China, there is hope and expectations that it might emerge as “Ecological Civilization” where there is harmony between people and planet. Considering Nature as an essential part of any infrastructure initiative, is different from how we go about most projects at present. It is not the tradeoffs made when forests are turned into fields, or rivers and lakes turning into holding ponds for wastes. Instead, it places Nature and biodiversity into the more holistic perspective of multiple forms of ecological services, and rarities of life judged by their full range of values. It is looking at whole systems for their totality of values, often through various lens ranging from local to regional, national, and global.



Trade can be an essential part of the solution for green development, and there is a need for improved practices. The BRI is built along corridors (mountain valleys, rivers, and deserts) with nodes of significance, for example, ports and urban areas. Observing natural infrastructure rules will bring benefits such as pollution reduction, communities with lower risks of disease, and stable hillsides, just to name a few. Our future efforts will demand greater use of Information Technology tools and databases regarding the dynamics of Nature, its uses and roles, for example in climate change mitigation. BRI countries can and should benefit from this but there are many worries about ownership and sharing of information.

Let us make Green BRI a leader in Sharing Responsibility for a Living Planet, and a contribution to Global Green Solidarity.

Ms. Narges Saffar

**Head of Group, International and Regional Organizations,
International Affairs and Conventions Center, Focal Point of UNEP,
Department of Environment, Islamic Republic of Iran**



Now is the time to scale up and turn global ambitions for ecosystem protection into real action. Governments and International initiatives such as BRIGC could be more effective. We are aware that the Sustainable Development Goals (SDGs) provide us with a renewed opportunity to work on common goals and targets to reverse the deterioration and degradation of our environment and restore development to a sustainable path, understanding that biodiversity gives rise to benefits for human health.

Nature-based solutions are actions to protect, sustainably manage, and restore natural or modified ecosystems that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits.

Nature-based solutions are actions that are inspired by, supported by, or copied from nature. They have tremendous potential to be energy and resource-efficient and resilient to change but to be successful they must be adapted to local conditions. The green development of BRI can be improved by way of enhancing sustainable urbanization, restoring degraded ecosystems, developing climate change adaptation and mitigation and improving risk management and resilience.

Nature-based solutions address specific demands or challenges, and at the same time, they seek to maximize other environmental, social, and economic co-benefits. The empowerment, involvement, and reconnection of citizens with nature enhance their well-being and strengthen community cohesion. Introducing new terms during the policy-making process as well as using the lessons learned about these terms can lead to good results.

I would like to express the willingness of Islamic Republic of Iran to extend any cooperation with BRI especially for the application of nature-based protection measures to reduce sand and dust hotspots.

Dr. Lena Chan

**Senior Director, International Biodiversity Conservation Division,
National Parks Board of Singapore**

The Singapore Green Plan is a national sustainability movement with realizing the vision of “city in nature” as the pillar. We hope to restore nature back into the city by applying nature-based solutions towards achieving climate resilience, ecological resilience and social resilience. Key strategies were taken by the government to become a “city in nature”. First, extending our natural capital through building the central nature park network to surround the city with nature parks. Second, intensifying nature in our parks and gardens, such as turning flood-relief areas into valley ecoregions that provide habitat for wild animals and plants. Third, restoring nature into the urban landscape through transforming city parks and gardens to improve urban biodiversity. Fourth, strengthening connectivity between our green spaces through building green corridors to reconnect the ecosystems segmented by infrastructure facilities. Besides, the government also organizes the One Million Trees Movement led by the community to encourage public engagement and conducts research in conservation science and planning to help related organizations to make decisions and advance digitalization, science & technology, and industry.



We expect to develop an ambitious plan under the framework of the Convention on Biological Diversity to implement broad-based action to bring about a transformation in society's relationship with biodiversity and to ensure that by 2050, the shared vision of living in harmony with nature is fulfilled. In terms of biodiversity monitoring, Singapore recently released the updated version of the Singapore Index on Cities' Biodiversity (City Biodiversity Index) to better evaluate the performance of cities in biodiversity conservation. It is hoped that cities in China and other parts of the world could also use the index as a self-monitoring tool.

Ms. Winnie Lu

CEO of the World Wide Fund for Nature (WWF) China



Biodiversity loss is a major risk and challenge for mankind. Thanks to the efforts of BRIGC and its partners, biodiversity conservation has been identified as a priority task by BRI participating countries. The *Key Biodiversity Areas and Impact Assessment in BRI-covered Areas* released by BRIGC shows that key biodiversity areas in BRI-covered areas are mainly distributed in Southeast Asia and the border areas of China, India and Myanmar, and that 32% of the area covered by the BRI economic corridors overlap with national protected areas in BRI participating countries and habitats of 265 threatened species.

I would like to propose three recommendations. First, adopt biodiversity risk control measures in the early stage of infrastructure investment decision making, including the identification of impact of proposed projects on protected areas, so as to optimize project planning to avoid construction on world heritage sites, important biodiversity protected areas or habitats of keystone species. Second, encourage businesses to adopt green investment standards and principles. In July this year, the Ministry of Commerce and the Ministry of Ecology and Environment jointly issued *Guidance on the Green Development of Overseas Investment and Cooperation* to encourage businesses to adopt commonly-used standards of international organizations and multilateral agencies, which shows the government's intention to support businesses to contribute to global green development. Third, promote international cooperation on biodiversity and share China's experience and tools with BRI participating countries, such as ecological redlining and natural capital accounting.

Mr. Zhang Xiaoquan

Chief Science Officer of The Nature Conservancy (TNC) China Program

Energy, transportation and other infrastructure projects are more likely to have potential ecological and environmental impacts due to longer construction and operation cycles. Therefore, scientific planning and site selection is needed at the very early stage of the project. It is also necessary to adopt mitigation measures to avoid potential environmental risks that could result in biodiversity loss.

The Nature Conservancy (TNC) developed a scientific tool named "Development by Design" (DBD) that helps development projects to reduce ecological footprint and ecological risks. The tool is mainly used in the development planning of mineral resources, shell gas, oil and natural gas, as well as renewable energy sources including wind, solar, and hydropower.

Renewable energy is cleaner than fossil energy. However, the development of renewable energy would also occupy large areas of land with potential negative impact on ecosystems and biodiversity. To address the issue, we could apply DBD to project or landscape planning in BRI participating countries and regions to reduce land occupation, water consumption and carbon footprint of energy, transportation, mineral resource development and other infrastructure projects and protect ecosystems and biodiversity.



Session 3:

BRI Green Development and Post-pandemic Resilient Recovery

Mr. Juergen Voegelé

CCICED Member, Vice President for Sustainable Development at the World Bank



Green, inclusive, resilient growth and recovery from the pandemic provide a unique opportunity to transform development in the 21st century. China has made it clear that it will lead the way and that its green development practices will provide a viable green solution for other developing countries and accelerate the global green development process in achieving a science and technology-focused transformation of the social development model.

First, regarding climate change, China's rapid action will help achieve the 2°C temperature control target, while promoting a green and low-carbon transition in the global energy sector and enhancing the availability of renewable energy. Second, China is moving quickly in the development of Nature-based Solutions (NbS), emphasizing the importance of nature-based services to economic growth.

I believe that there are huge NbS opportunities and development potential in countries where Belt and Road investments are made. Third, China is focusing on the impact of trade and agriculture on the environment, resources, and climate change. We expect China to continue to promote relevant policy dialogues and play an active role in sustainable trade and production.

Mr. Kevin P. Gallagher

Co-Leader of CCICED Special Policy Study, Professor of Global Development Policy, Director of Global Development Policy Center, Frederick S. Pardee School of Global Studies, Boston University

China has emerged as a global leader in regional integration and development finance through the BRI. China led the future of multilateralism in many aspects. It's now important for China to not only lead, with the BRI in its own effort, but to play a larger role in the multilateral system.

Without China, we would be in a dire situation in terms of global development finance. A recent article just came out in the "American Economic Journal", which showed that Chinese investments along the BRI are closely associated with economic growth. China started the shift towards more investment in clean energy and started to devise transnational guidelines and developed a debt sustainability assessment tool. The multilateral system has not been able to deliver vaccines to the South, while China was an early supporter. China led the way in delivering vaccines, which greatly helped developing countries' economic recovery.

China has several other tools that could be scaled up and those are equity and grants. We hear a lot about the China Development Bank and the Export-Import Bank of China, but China also has the Silk Road Fund, the China-Africa Development Fund, and the China-LAC Cooperation Fund. Not only do we need to optimize the composition in alignment with SDGs in Paris, but also to diversify the instrument of changes. I'm happy to see that China has already developed several equity funds and now has a new development agency that can provide grant funding.



Mr. Zhang Jianyu

CCICED Special Adviser, International Coordinator of the BRIGC Advisory Committee, Executive President of BRI Green Development Institute (BRIDGI)



Post-pandemic green recovery has become a global consensus. In August, the U.S. Department of the Treasury issued the latest *Guidance on Fossil Fuel Energy at the Multilateral Development Banks* (MDB), which advocate for MDB to end financing of carbon-intensive fossil fuel-based energy and only consider fossil fuels if other options are unfeasible. This is in line with Asian Development Bank's plan to accelerate coal phase-out in Asia. However, the new *Guidance* also aroused new considerations: (1) will regional and national energy and development strategies be taken into full consideration; (2) will there be clear standards; (3) will private sector investment be affected; (4) if carbon pricing and global carbon market mechanisms are taken into consideration.

The *BRI and Carbon Pricing Mechanism* released by BRIGC analyzed the significance and feasibility of establishing carbon market in the major countries and regions of BRI with the recommendation of accelerating the development of carbon market in BRI participating countries. The study conducts a quantitative analysis of the marginal emission reduction costs of BRI participating countries with the finding that there is difference between each country's carbon emission reduction costs when meeting the NDC emission reduction commitment target, which creates major opportunities for linkage through regional carbon markets. Establishing carbon market linkages is also conducive to reducing the overall emission reduction costs of BRI countries on a larger scale. Based on the FASTER principle required for the carbon pricing mechanism proposed by the World Bank, except for Central Europe and California, where three carbon markets have been established and put into operation, some BRI participating countries also have well-established conditions for carbon markets. The study also recommends China to accelerate the construction of a unified national carbon market and support BRI participating countries to establish carbon markets.

Ms. Wu Huimin

Managing Director of CICC Global Institute (CGI), Head of CGI BRI Research Center

From a global perspective, the 140 BRI participating countries contribute to 30% of global carbon emission. With a fragile ecological environment, these countries are more vulnerable to the impact of climate change. Therefore, there is greater significance and urgency for them to pursue green and low-carbon development. BRI participating countries could focus on three priority areas to realize green development. First, accelerate the establishment of carbon market and carbon pricing to increase the cost of fossil energy. Second, promote technology advancement to reduce the cost of clean energy and promote the large-scale application of clean energy. Third, enhance social governance and promote green lifestyles to establish a mechanism for promoting green development in the mid and long term.



In most BRI participating countries, green finance is at the early stage of development with little progress. However, green finance could effectively support green development, especially in two aspects. First, green finance helps to fill the financing gap. It is estimated that in the next ten years, the demand for green investment could exceed 5 trillion USD in BRI participating countries, which only less than 1/4 could be fulfilled with existing resources. Support from the international community is urgently needed to fill the gap.

Second, green finance could guide the allocation of resources to support green development. To improve the green finance system in BRI participating countries, we need to address some of the most pressing issues: (1) developing and choosing green standards for BRI participating countries; (2) enriching the portfolio of green finance instruments to attract capital from the society; (3) incorporating green development concepts into international financial cooperation mechanisms. In conclusion, the engagement of multilateral financial institutions, policy-based financial institutions from all countries, private investors and businesses is needed to promote the green development of BRI.

During the 2021 CCICED AGM, international partners also provided reflections on BRI green development in the AGM Closing Session, the Forum of “Ecological Civilization: Building a Harmonious and Beautiful World for All” and the Forum of “From Biodiversity to Climate Change: Gathering New Impetus of Global Green Value Chains”. Here are some of the remarks.

Mr. Erik Solheim

CCICED Vice Chairperson, Convener of the BRIGC Advisory Committee, Advisor of WRI



Belt and Road Initiative is the vehicle for making all the green ideas and finance and technology in China available to the world. It is the biggest by far investment scheme in our era, so we shall adamantly help make it green. That's why BRIGC and BRIDGI are so important. I encourage everyone to support and make these institutions strong. For the first time in 2021, China did not do any foreign coal investment, which is a huge positive shift. BRI has enormous opportunities to bring green hydrogen, green hydropower, and solar power to the world.

(September 9, Closing Session of CCICED 2021 Annual General Meeting)

Ms. Kate Hampton

CCICED Member, Convener of the BRIGC Advisory Committee, Chief Executive Officer of Children's Investment Fund Foundation (CIFF)

Chinese commitment to peak carbon emissions before 2030 and achieve carbon neutrality did indeed reinvigorate momentum under the Paris Agreement. But the transition is net-zero and is not going to be an easy journey. And it requires deep structural reforms and new governance approaches, particularly in sheer complex, large countries like China. But China's already laid strong foundations and is making promising progress. I'd like to share with you some recommendations.

Green recovery and transition can align with the structural change required in China, based on each province's population dynamics, industrial structure, and geographical features. Regions and provinces and cities with more advanced conditions can be encouraged to set clear targets, timelines and planning for early peaking of carbon emissions. Financial regulations for climate risk can be very effective in shaping public and private finance and preventing new polluting assets from being built. All of this should be underpinned by mandatory disclosure. Chinese expertise, finance, and technology can be mobilized and shared with many developing countries along the Belt and Road to support green recovery. I think it's important to say that the time is right for China to lead by ecological civilization, structural transformation and decarbonization.



(September 9, Closing Session of CCICED 2021 Annual General Meeting)

Mr. Andrew Steer

CCICED Member, BRIGC Co-Chair, President and CEO of Bezos Earth Fund



A green BRI can have an amazingly positive impact on the world. It can help address climate and biodiversity, and it can point its partners' economy towards tomorrow, rather than yesterday.

There's been very good progress over recent months, new regulations and guidance on tighter conditions and new guidance on coal are in place. Partner countries like Pakistan, Vietnam, Indonesia, Bangladesh, Philippines, have in the last year all made comments that they also want to move away from coal. I'd like to direct everybody to one of the excellent special studies that were issued as part of the CCICED on soft commodities. China is the number one importer of soy, pulp and paper, timber, and beef. How wonderful it will be when those imports that trade through the Belt and Road are green!

(September 9, Closing Session of CCICED 2021 Annual General Meeting)

Mr. Dimitri De Boer

Chief Representative, ClientEarth China Office

Positive progress has been achieved recently for BRI green development. The Ministry of Commerce and the Ministry of Ecology and Environment jointly issued the *Guidelines for Green Development in Foreign Investment and Cooperation* this year, requiring businesses to avoid investment in fossil energy, improve environmental information disclosure and establish closer relations with local stakeholders. Its future wide and effective implementation could effectively reduce the ecological and environmental impact of related projects, and produce promising results. In the meantime, it will also bring benefits to biodiversity conservation if China and BRI participating countries could establish corresponding eco-environmental risk prevention and control mechanisms within their environmental legislation and law enforcement systems.

(September 8, Open Forum: Ecological Civilization: Building a Harmonized and Beautiful World for All)



Mr. Balázs Horváth

RBAP Senior Economic and Strategic Advisor on Belt and Road Initiative, UNDP



The scale of the Chinese economy and the Belt and Road Initiative place China at a very important position in the global value chain, which enables the country to play a key leading role in assisting the world to build a new normal that conforms to SDGs and that can solve problems related to human and ecosystem health. It is thus important that the Chinese government should strengthen the regulatory framework for Chinese businesses operating abroad to promote a greener global value chain. Corresponding policies should be released to direct investments to technical capacities and human resources that are climate responsible and technology-pro.

(September 9, Open Forum: From Biodiversity to Climate Change: Gathering New Impetus of Global Green Value Chains)

The Third Special Policy Study Report on Green BRI and 2030 Agenda for Sustainable Development Released during 2021 CCICED AGM

The green development of BRI highly echoes and complements with the UN 2030 Agenda for Sustainable Development in concepts, principles, and goals. Since 2018, CCICED has been funding the Special Policy Study (SPS) on Green BRI and 2030 Agenda for Sustainable Development, and released 3 SPS reports on the theme. The first phase (2018 – 2019) focused on the alignment of green Silk Road and Sustainable Development Goals (SDGs), and provided broad principles, objectives and approaches towards the green development of Belt and Road. The second phase (2019 – 2020) discussed biodiversity and ecosystem conservation, and put forward specific measures and pathways for green BRI to promote biodiversity conservation across the globe.

The third phase placed its focus on improving the environmental management of BRI projects, and proposed targeted policy recommendations on establishing a green management system for BRI projects and promoting all-round alignment of green BRI with 2030 Agenda for Sustainable Development by a comprehensive analysis of Chinese and international environmental management policies, methods, practices, and practical experience, with the aim to secure and power green and high-quality development of BRI.

BRIGC has been firmly supporting the research of the SPS with rich inputs.

Co-Leaders:



**Ms. Zhou Guomei,
Director General of
Foreign Environmental
Cooperation Center,
Ministry of Ecology
and Environment (MEE)**



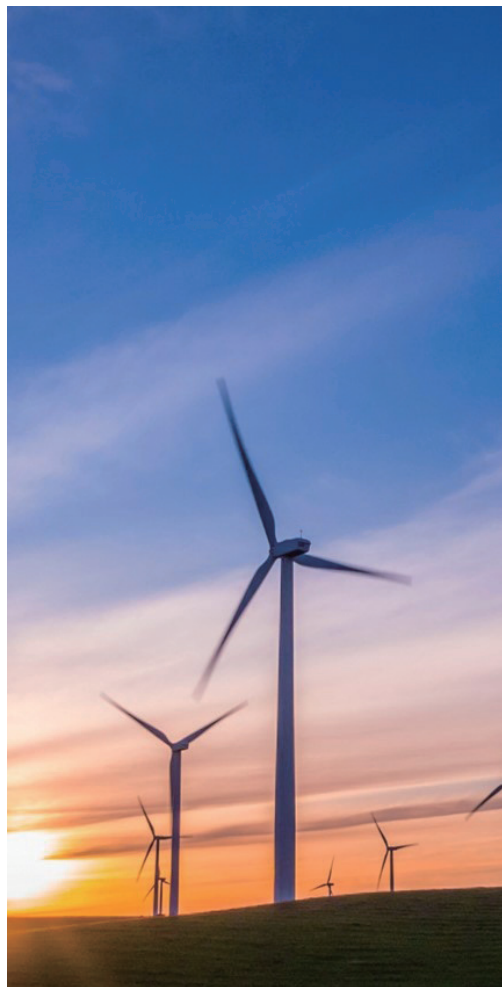
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**Mr. Kevin P. Gallagher,
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Development Policy, Director
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Report Download Link: <http://en.cciced.net/POLICY/rr/prr/2021/202109/P020210929305532478894.pdf>



About Us

The BRI International Green Development Coalition is jointly initiated by Ministry of Ecology and Environment of China and international partners. The ever-growing needs on implementing UN 2030 SDGs and the need to make progress towards the Paris Agreement targets for the BRI participating countries require the cooperation among governments, local and international development agencies, think tanks, private sectors, civil societies and other stakeholders to maximize the concerted effort on green development.

The main goal is to promote international consensus, understanding, cooperation and concreted actions to realize green development on the Belt and Road, to integrate sustainable development into the BRI through joint efforts and to facilitate BRI participating countries to realize SDGs related to environment and development. Government departments, local and international organizations, think tanks, private sectors, civil society organizations and other related stakeholders that endorses the mission of BRIGC are welcome to join as Partners.

For More Information

<http://en.brigc.net/>

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