

## Institute for Governance & Sustainable Development

## China Unveils Policy Guidance Aimed at Improving the Environmental and Climate Performance of Belt and Road Initiative Projects and Products

16 March 2022— Today, China's National Development and Reform Commission, Ministry of Foreign Affairs, Ministry of Ecology and Environment, and Ministry of Commerce jointly released the Opinions on Promoting the Green Development of the "Belt and Road Initiative" ("2022 Opinions").

The Opinions illustrate a number of key areas of cooperation for green development of the "Belt and Road Initiative" (BRI) as well as relevant supporting systems, such as financial mechanisms and capacity building, and communicational platforms. The Opinions are the latest in a number of China policy developments aimed at curbing the environmental and climate-forcing impacts of Chinese overseas projects and exports. In light of the recent global focus on methane mitigation as a near-term climate solution, many of these areas (e.g., waste treatment, "green" standards, environmentally friendly products and services, climate mitigation, and capacity building) are ripe for potential BRI-country cooperation.

In particular, the Opinions highlight BRI collaboration in the areas listed below.

- Green infrastructure: guide enterprises to adopt energy and water conservation standards, improve the efficiency of resource utilization, reduce emissions, and strengthen waste treatment for overseas infrastructure projects.
- Green trade: promote trade in high-quality, high-tech, and high value-added green products and strengthen the import and export of energy-saving and environmentally-friendly products and services.
- Green standardization: actively participate in the development of international green standards, work on synchronizing Chinese standards with green standards in BRI countries, and encourage industry associations and other institutions to develop and publish green standards that are in line with internationally leading standards.
- Climate change: continue to implement the <u>BRI</u> climate-change South-South cooperation program, including promoting the construction of low-carbon demonstration zones and the implementation of climate-change mitigation and adaptation projects, donating climate-



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friendly and energy-saving products, and helping BRI countries with climate-change capacity building.

It is also noteworthy that the Opinions reiterate that Chinese enterprises are encouraged to comply with prevailing international standards or China's standards, where the BRI country's standards are lower than the prevailing international standards or China's. This is consistent with the provision in the <u>Guidelines on Ecological and Environmental Protection of Foreign Investment and Construction Projects</u> (China Ministry of Ecology and Environment and Ministry of Commerce, 5 January 2022). Additionally, the Opinions highlight that China has completely stopped the construction of new coal power plants overseas, and plants under construction will move ahead steadily and cautiously.

Just as importantly, the Opinions incorporate actions to promote green finance, including through encouraging Chinese financial institutions and enterprises to engage in green financing in international markets. Additionally, the Opinions call upon international financial organizations and multinational companies to issue green bonds and carry out green investment in China.

For additional IGSD information on this topic, see:

- IGSD, China Moves a Step Closer to Addressing Climate and Environmental Impacts of Overseas Projects and Exported Products (Jan. 2022)
- IGSD, China's Policy Opportunity to Avoid Dumping of Obsolete Cooling Equipment and Support Development and Climate Goals (Nov. 2021)
- IGSD, China Details Plans for Achieving Carbon-Peaking and Carbon-Neutrality Goals (Oct. 2021)
- IGSD, New Report Identifies Sources of Environmental Dumping of ACs in African Countries (June 2020)
- IGSD, <u>Dumping of Obsolete Air Conditioners Undermines Development and Climate</u> Goals (Nov. 2018).



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