



WWF POSITION PAPER

ON UKRAINE-CHINA COOPERATION IN THE FRAMEWORK OF BELT AND ROAD INITIATIVE (BRI)

In 2013, China launched an ambitious foreign policy initiative to revive and strengthen its trade links with the rest of the world – the Belt and Road Initiative (BRI), also known as the New Silk Road.

Currently, more than 65 countries of the world, including Ukraine, are involved in BRI.

WWF in Ukraine believes that BRI can take Ukraine to the next level of sustainable development if all three dimensions of sustainability – economic, social and environmental – are fully assessed and ensured during the decision-making process.

BRI offers tremendous opportunities for the development of our country. The planned investment in a network of motorways, railway corridors, power facilities can generate significant economic and political benefits for Ukraine, but only in the case of smart and careful planning. Otherwise, there is the risk that high environmental and social costs will outweigh benefits or that the country gets locked into old-fashioned technology, undermining the success of BRI.

**Most of the BRI Strategic Documents
contain environmental requirements and
commitments!**

“Cooperation with China is unwavering and strategic priority of Ukraine's foreign economic policy. During the first eight months of 2018, the trade between Ukraine and China totaled almost \$6 billion and increased by 21%. But this volume of trade does not correspond to the existing potential. In the next 5 years we can boost the trade turnover to \$20 billion a year. Thus, we need to step up our work in all directions, and we have to shape new instruments”

*Stepan Kubiv,
First Vice Prime Minister of Ukraine - Minister of
Economic Development and Trade of Ukraine
(8 November 2018 y.)* www.kmu.gov.ua*

In 2016, China's president Xi Jinping called for “green, healthy, intelligent and peaceful” Silk Road. President Xi Jinping suggested the participating countries should “deepen cooperation in environmental protection, intensify ecological preservation and build a green Silk Road”

In 2017, Ministry of Environmental Protection of China (MEP) published the following documents, which refer to the main environmental principles of cooperation within the framework of BRI:

- Guidance on Promoting Green Belt and Road
- The Belt and Road Ecological and Environmental Cooperation Plan

In September 2017, the document “Environmental Risk Management Initiative for China's Overseas Investment” was published. The document was jointly developed by the financial institutions of China

WWF in Ukraine welcomes such intentions! The above documents reflect several principles important to WWF: ensuring sustainable development, promoting the development of green infrastructure and renewable energy.

We believe that environmental risks and damages that infrastructure development can cause in the framework of BRI have to and can be avoided or minimized if this is being made a key objective from the earliest stages of planning and decision-making onwards.

Unfortunately, currently there are a number of issues that may become an obstacle to the successful implementation of BRI in Ukraine, among which: (1) the governance framework is not sufficiently ensuring an environmentally sound approach; (2) the decision-making process is not transparent, (3) cumulative impact of infrastructure projects on the environment are not considered, (4) compliance with the requirements of environmental legislation is not always ensured; (5) better environmental options and impact of projects on communities are insufficiently explored and considered.

WWF in Ukraine states, that the following principles should be taken into account during the planning and decision making process under BRI in Ukraine:

1. BRI in Ukraine should be planned and implemented within the framework of the Sustainable Development Goals that were approved at the UN Sustainable Development Summit in 2015, and adopted for Ukraine.
2. The concept of "ecological civilization", recently expressed by the government of China as being a key concept to achieve sustainable development should rigidly applied to all plans and activities in Ukraine to balance economic, social, political, cultural and environmental aspects.
3. All Strategic Planning Documents connected to implementation of BRI in Ukraine should undergo Strategic Environmental Assessments.
4. To mitigate potential negative impacts, all BRI projects in Ukraine should:
 - apply the highest environmental and social standards and safeguards (such as those of the World Bank/International Finance Corporation)
 - comply with relevant international law and standards
 - apply a fair and level playing field in procurement procedures
 - favour state of the art technologies
 - undergo Environmental Impact Assessments (EIA) in compliance with the requirements of the current legislation. Better environmental options should be thoroughly analyzed. The opinion of local communities and other stakeholders should be taken into account. Any decision to start a project should be made only after positive EIA and thorough stakeholder consultation.
 - Environmental mitigation and compensation measures should be developed and implemented within the framework of projects on mandatory basis.
 - post-project monitoring should be effectively implemented and all resulting data made publicly available.

Intentions to make Ukraine-China cooperation “green” and consistent with the aims of Sustainable Development Goals, are not enough. Ukraine also has to develop and implement the "green" vision within the framework of BRI.

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