

# Best-practice biodiversity safeguards for Belt and Road Initiative's financiers

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## The Problem

BRI is likely to have a significant biodiversity footprint as its corridors overlap with many conservation priority areas - ranges of **265** threatened species including **39** critically endangered and **81** endangered species and **1,739** KBAs

## The Question

What biodiversity safeguards are in place for BRI?

Safeguards can come from three actors- 1) Chinese regulators 2) host country governments 3) project financiers

We examine project financiers for presence of safeguards as **90%** of BRI financing is provided by **6** Chinese state-owned banks, giving them disproportionate leverage over project environmental performance.

## Methods

We assessed key BRI financiers for presence of lending requirements on biodiversity impact mitigation

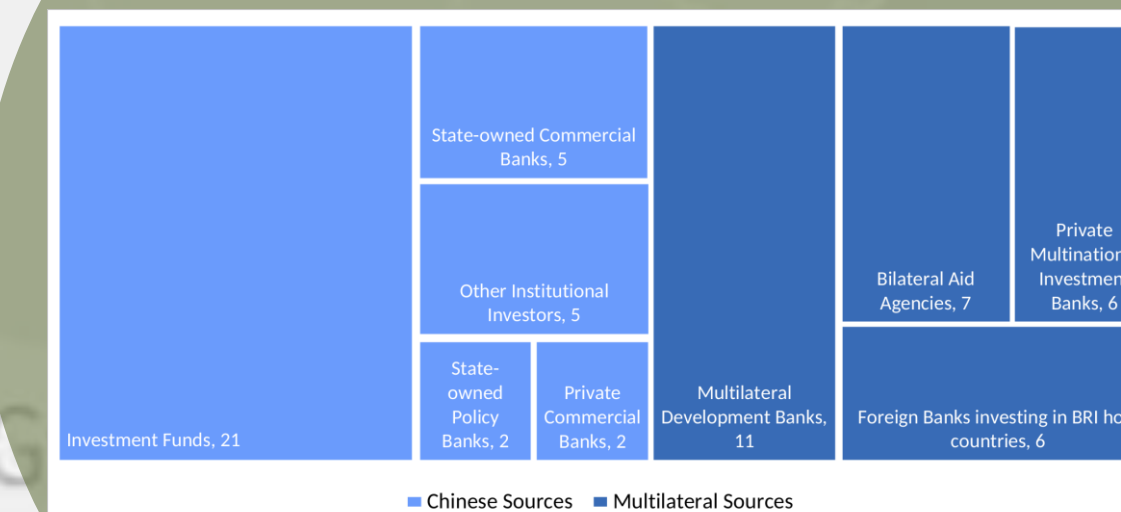
1. Identified Key BRI Financiers
2. Identified Financiers with Environmental Safeguards
3. Assessed environmental safeguards for biodiversity impact mitigation requirements
4. Compared safeguards with IFC's Performance Standard 6, regarded as international 'best practice'
5. Mapped Critical Habitat and Natural Habitat (as defined in IFC PS6) potentially impacted by BRI roads and rail lines to visualize the scale of impact and mitigation measures triggered under the 'best practice' scenario

## What is the Belt and Road Initiative (BRI)?

- BRI is China's **6** trillion-dollar overseas infrastructure development initiative
- It involves **8** trans-continental infrastructure corridors spanning **70** countries
- It includes road and rail lines flanked by thousands of energy, mining and industrial projects

## Findings

Key BRI Financiers by type



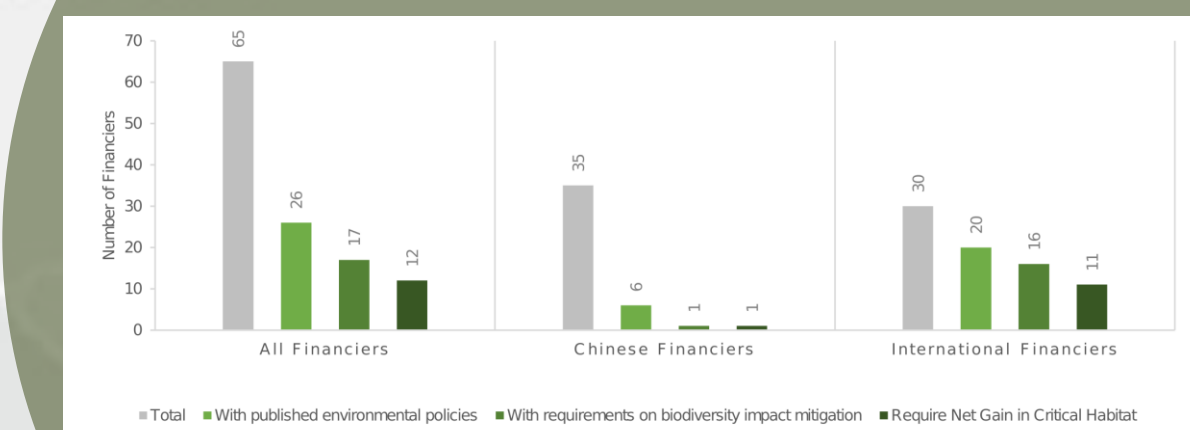
A total of 65 key financiers of BRI were identified and examined, out of which 35 were Chinese and 30 were international.

## Conclusion

- There is a need for robust safeguards, but most Chinese guidance remains aspirational and most host countries ill-equipped
- Financier safeguards can act as the first line of defense, but they fall short of best practice
  - only about **27%** require any kind of mitigation and only **17%** require 'net gain' in Critical Habitat
  - None of the Chinese financiers, except one have safeguards
- Co-financing of BRI projects by multilateral development banks such as the World Bank and IFC present an opportunity for transfer of best practice

## Findings

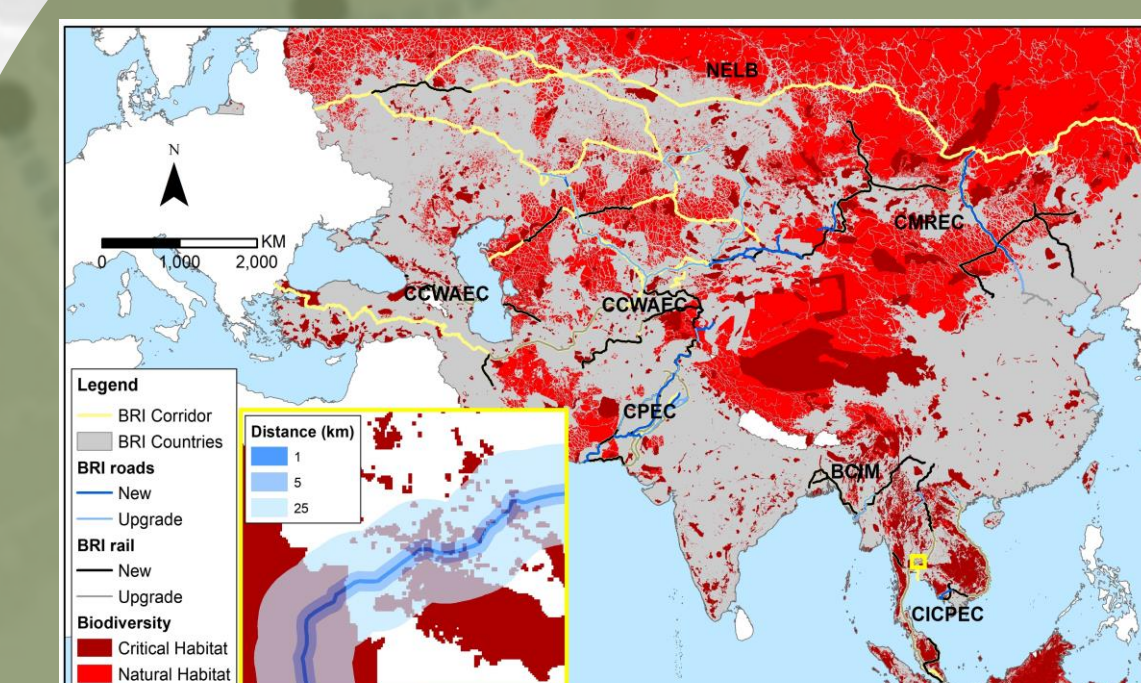
BRI Financiers with Safeguards



Out of the 30 international financiers, 16 had biodiversity safeguards while out of the 35 Chinese financiers only one had them.

## Findings

Overlap of BRI's Transport Infrastructure with Critical and Natural Habitat



BRI's road and rail lines potentially impact >150000 sq. km. of Critical Habitat (within 25-km buffer zone), triggering the requirement of Net Gain of biodiversity under best-practice (i.e. application of IFC PS6)

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