

A photograph of a modern building with a glass facade. In the foreground, there is a large red banner with yellow text that reads "CLEAN ENERGY GREEN FUTURE". To the left of the banner, there is a large, colorful lion dance costume. Several people are visible in the background, some wearing masks. The overall scene suggests a public event or festival.

# **A GUIDE FOR ENGAGING CHINESE STAKEHOLDERS IN THE FRAMEWORK OF THE BELT AND ROAD INITIATIVE**

**CLEAN ENERGY  
GREEN FUTURE**

*A Guide for Engaging Chinese Stakeholders in the Framework of the Belt and Road Initiative* has been produced by People of Asia for Climate Solutions (PACS), with assistance from Social Innovations Advisory (SIA), and was revised and updated for Stiftung Asienhaus' project "Civil society dialogue in the context of the Belt and Road Initiative." Readers are encouraged to reproduce the material for their own publications as long as they are not doing it for commercial purposes and acknowledge the source.

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# 1. Introduction

The purpose of this Guide is to give civil society organizations (CSOs)<sup>1</sup>, who are concerned about the environmental and social impacts from Chinese-backed projects in Belt and Road Initiative (BRI) partner countries, a direction or path to reach relevant Chinese stakeholders. It is intended to provide a basic understanding of the BRI, the mindsets and priorities of Chinese stakeholders, and how CSOs concerned with the environmental and social impacts of BRI projects can best approach those stakeholders.

The Guide is divided into five sections. Section 1 provides background on key Chinese stakeholders, their mentality and priorities, and the most effective ways to contact and engage them. Section 2 provides guidelines about strategies for effectively engaging and influencing those stakeholders. Sections 3 and 4 provide important terms, policies, and guidelines that should be referenced when communicating with Chinese stakeholders. Section 5 offers case studies of effective advocacy targeting Chinese stakeholders in China and in BRI partner countries.

It is important to point out that while the BRI is a top foreign policy priority of the current Chinese government, and was written into the Chinese Communist Party's constitution in 2017, there is no explicit or specific set of BRI policies in China. There is thus a great deal of flexibility, and ambiguity, in the role Chinese stakeholders play in the development of the BRI. Despite this flexibility, Chinese stakeholders tend to be cautious in their involvement in the BRI because of its importance and because any misinterpretation or misrepresentation of the BRI could lead to severe penalties.

Although participation by privately-owned Chinese companies in overseas projects is on the rise, this Guide focuses more on state-owned enterprises (SOEs), whose projects are much larger in terms of investment and environmental and social impacts, and who are generally also more likely to behave in a bureaucratic way and are therefore less accessible to CSOs.

This Guide has been developed by three Chinese consultants with extensive experience working in the Chinese government, media, and CSO sectors, under the coordination of Xiaojun Wang of People of Asia for Climate Solutions. Yu Yin and Shawn Shieh from Social Innovations Advisory, Ltd. have provided generous guidance throughout the project. We would also like to acknowledge Stephanie Jensen Cormier, Paulina Garzón, Huang Zhong, Joanna Klabisch, Lidy Nacpil, Saurin Siagian, Christian Straube, and many more peers for their comments and suggestions.

We hope the Guide will act as a rule of thumb, and not a one-size-fits-all guide, to educate and guide them to achieve more efficient and effective engagement with Chinese stakeholders. The Guide is intended to be a living document that will be updated regularly to incorporate new developments in BRI policies and practices, and input from CSOs from BRI partner countries.

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<sup>1</sup> The term CSO is used in the guide because it includes a wider range of organizations and groups than the term NGO which will be used to refer to formal, registered organizations with offices and staff. As used in this guide, the term CSOs includes community-based organizations, indigenous groups, unions, faith-based organizations, professional associations, and networks, etc.

## 2. Background on Chinese stakeholders

During the 2000s, Chinese companies were already venturing abroad under China's "going out" policy. In 2013, President Xi Jinping announced the concept of One Belt, One Road, or OBOR, referring respectively to the Silk Road Economic Belt on land and the 21st Century Maritime Silk Road by sea. Later, the name OBOR was replaced by the "Belt and Road Initiative" (BRI). The BRI's intention is to expand trade and grow China's global market under a name with iconic historic values. The English name Belt and Road Initiative (BRI) was introduced to lessen the geographic images of the OBOR name and to highlight the "shared" nature of the BRI as a collaboration between BRI partner countries, with China being the BRI's initiator, not owner.

### 2.1 Priorities of Chinese companies with overseas operations

When doing business overseas, Chinese companies, whether state-owned or private, carry dual loyalties, one to their country and one to their company. While these companies operating in host countries report directly to their parent companies in China, they also report to the Chinese embassy in that country and are reminded of their responsibility to uphold the reputation of China and the BRI. The priorities of Chinese companies with overseas operations can therefore be listed as follows in order of importance:

- Make money;
- Uphold, or improve, China's image;
- Expand local business networks and opportunities in host countries;
- Stay safe and out of legal trouble with host country stakeholders;
- Respect local cultures in host countries.

It is also worth noting that many Chinese companies, even those operating inside China, are new to CSO engagement because, in China, business deals are often made with, or through, local governments or local business partners. It is the local partners' job to negotiate agreements (land, water, health, social, etc.) with affected communities. This can help us understand why environmental, social, and governance (ESG) risks are hardly part of Chinese companies' consideration when they operate outside of China.

This lack of awareness of CSOs and ESG risks is also why it is important for CSOs to make a business case for ESG risks and explain to Chinese companies why they should care about those risks. What are the benefits to companies of addressing those risks, and what are the costs if they do not address those risks? Making a business case is a first step for CSOs in creating a language for engaging in a dialogue with companies.

CSOs should also be realistic about the barriers to communicating with Chinese companies. Top-down management and obedience are ingrained in the work culture in Chinese companies, and Chinese managers working in the host country are mainly concerned with finishing their tasks. Chinese companies generally have few staff in their overseas operations who work on community relations. Most long-term Chinese staff are technicians and laborers who do not speak English and have little knowledge of the local culture, let alone CSOs or ESG risks.

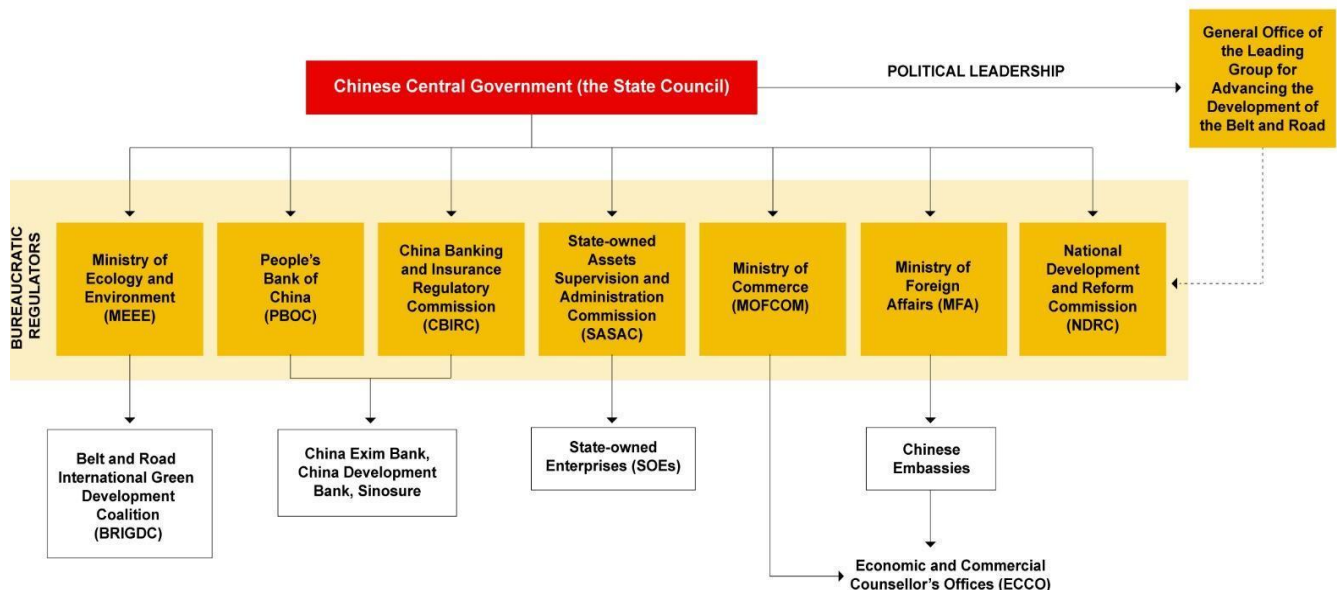
One often-neglected reason for conflicts between Chinese companies and BRI host country communities is religion. Most Chinese people consider themselves atheists and their worldview has been shaped primarily by capitalists, both Chinese and those from industrialized countries, since China's reforms in the late 1970s.

They thus have a very practical mentality that “time is money” and progress is measured by materialistic gains.

Finally, it is crucial to remember that even though the concept of the BRI was created by China, many so-called BRI projects have been proposed and approved by the host countries while Chinese companies have acted as contractors to finalize and carry them out. Thus, while Chinese stakeholders should be held accountable for the human rights and environmental impacts of these projects, the main responsibility for addressing those impacts lie with the host country’s government.

## 2.2 Key government ministries involved in BRI

Listed below are the highest-level decision-makers in Beijing regarding BRI policies and projects (see Figure 1). The specific companies are not listed here simply because there are too many and that information is publicly available during negotiation and bidding stages. CSOs can consider targeting the government ministries listed below if efforts to engage companies, contractors, or financiers fail to get any results.



**Figure 1:** Key government ministries involved in BRI (This figure is adapted from [Thomas Hale, Chuyu Liu, and Johannes Urpelainen \(2020\). Belt and Road Decision-making in China and Recipient Countries](#). Note: these ministries all have subordinate departments in each province that play similar roles in regulating provincial companies overseas.)

### The National Development and Reform Commission (NDRC)

The NDRC is China’s core economic planning agency. The Department of Regional Openness at the NDRC is responsible for the promotion and implementation of the BRI, especially on how to achieve the “Green and High-Quality” vision of BRI.

Not all BRI projects need approval in Beijing, but all of them need to register with key ministries, especially the NDRC, in Beijing. The guiding document for BRI project application, establishment, and approval is the

[Regulation for Chinese Enterprise Overseas Investment](#) which was issued by the NDRC in 2017, replacing the older 2014 regulation, and came into effect on March 1, 2018.

Compared with the 2014 version, the 2017 regulation is aimed at simplifying approval processes, making it “easier, cheaper and faster” for Chinese companies to start an overseas project with the exception of sectors or regions considered sensitive<sup>2</sup>. Investments smaller than USD 300 million dollars only need to be registered, rather than approved, at the central or provincial NDRC offices. At the same time, the new regulation strengthens supervision of companies using a “corporate social credit blacklist” data pool. Companies engaged in wrongdoings, especially those widely reported in the media, such as pollution complaints, corruption accusations, illegal practices such as fraud, and major negative social impacts like labor rights violations causing large demonstrations, will be put on the blacklist. Companies on the blacklist will be restricted from applying for loans and licenses.

### Ministry of Commerce (MOFCOM) and Economic and Commercial Counselor Offices in host countries

**MOFCOM's Complaint Department** can be reached at +86 (10065198853/65198806, or email: [jiweiban@MOFCOM.gov.cn](mailto:jiweiban@MOFCOM.gov.cn) or direct mailing address:

Addressee: 商务部直属机关纪委办公室  
(Discipline Office of MOFCOM)

Address: No 2, East Chang'an Avenue,  
Beijing, 100731, P.R.C.

Or directly on the MOFCOM website:  
[http://www.jiangyinby.com/send\\_mail-hzs.html](http://www.jiangyinby.com/send_mail-hzs.html)

Currently, however, there are only Chinese versions.

MOFCOM also has representatives or liaison officials stationed at the Chinese embassies as the Economic and Commerce Counselor in order to support and supervise Chinese companies' business practices in the host countries. Their contact information is at: <http://www.MOFCOM.gov.cn/MOFCOM/lianxifangshi.shtml>

The Ministry of Commerce is another important BRI decision-maker, primarily responsible for: 1) formulating guiding policies for overseas investment by SOEs and private firms; 2) coordinating as a liaison between the Chinese companies and host country governments via the Economic and Commercial Counselor Offices stationed in the Chinese embassies; and 3) compiling data on China's overseas investment and trade.

Once MOFCOM's approval is granted, companies then move on to financing, such as getting the foreign exchange green light from the banks and getting the necessary documents from Customs and the Ministry of Foreign Affairs.

Although the NDRC is “theoretically” in charge of all BRI projects on a macro-level, its role is reserved for approval of “sensitive projects” such as those with countries that do not have diplomatic relations with China or those sectors related to weaponry, cross-border hydro, or news media, etc. MOFCOM's role however is to serve as the direct service agency to approve, archive, and direct Chinese enterprises' overseas investments.

<sup>2</sup> Sensitive regions refer to places with frequent or likely conflicts or countries that do not yet have diplomatic relations with China. Sensitive sectors, according to the latest list by NDRC in 2018, include weaponry, cross-border hydro projects, and news media.

## State-owned Assets Supervision and Administration Commission (SASAC)

### State-owned Assets Supervision and Administration Commission of the State Council (SASAC)

Address: No 26 Xidajie, Xuanwumen, Beijing, 100053, P.R.C.

For information disclosure, the contact information is: [ysq@sasac.gov.cn](mailto:ysq@sasac.gov.cn) or +86-10-63191919.

Here is a list of SASAC agencies on the provincial level:

<http://www.sasac.gov.cn/n4422011/n17627531/c17633273/content.html>

More of the SOEs contact information, here is available a list of all major SOE spokesperson or media centers that is updated and publicized annually by SASAC.

<http://www.sasac.gov.cn/n4422011/n14158800/n14159025/index.html>

Most of the mega-infrastructure BRI projects that have large-scale environmental and social impacts are carried out by central and provincial state-owned enterprises (SOEs), whose direct supervisor is SASAC.

Before any application or registration goes to the NDRC or MOFCOM, SOEs first need to get approval from the central or provincial SASAC. For an SOE to get approval on a BRI project from SASAC, the following documents, besides the usual business plans and relevance to the SOE's main business, must be submitted: a feasibility study report, due diligence investigation, risk assessment, risk control, and risk prevention plans. SASAC issues a written approval before the SOE can move on to the next step.

Besides the policy-making department, the Department of International Cooperation, which coordinates SOEs' overseas operations and supports SOEs' overseas crisis management, is directly involved in, and aware of, SOEs' overseas operations. The Department of Inspection and Accountability is also a key agency, which is in charge of carrying out inspections and investigations of SOEs malpractices that could cause or have caused major losses.

## Ministry of Foreign Affairs (MFA) (and embassies in host countries)

The Ministry of Foreign Affairs manages diplomatic relationships with the host countries and thus does not play a direct role in approving or supervising BRI projects. They do, however, play a role in facilitating deals and troubleshooting if the deal runs into problems.

As the face of China in the host country, the MFA, and its Chinese embassies in host countries, have to directly address queries or concerns raised by local governments, CSOs, and media.

CSOs in BRI host countries that want to approach the MFA or the Chinese embassy can work with journalists based in China to directly raise questions at the daily MFA press briefings in Beijing or find creative ways to contact the Chinese embassies. See the Lamu case below (Case 6.2) in which the CSO coalition was able to speak to Chinese embassy officials in Kenya through a Chinese delegation that was participating in a UN biodiversity conference in Nairobi.

The contact information for the embassies is available on their websites. It is also important to reach out to the Economic and Commercial Counselor Offices (ECCO), which sit in the embassies but report to MOFCOM.



## Ministry of Ecology and Environment (MEE)

### Ministry of Ecology and Environment, The People's Republic of China

Address: No.12, East Chang'an Avenue, Dongcheng District, Beijing, 100006, P.R.C.

For information disclosure, the contact information is [advice@mee.gov.cn](mailto:advice@mee.gov.cn) or +86-10-65646114

The MEE also has an online system for information disclosure application, which is only in Chinese and can only be done by a Chinese citizen with real ID:  
<http://114.251.10.118:8080/pub/pub/apply/apply.jsp>

The Ministry of Ecology and Environment (MEE) is rarely involved in environmental concerns outside China, but there are signs that may be changing. In 2018, the MEE took over climate change negotiations from the NDRC, and in 2021, it started to work with MOFCOM on environmental complaints from BRI projects.

The MEE's role was enhanced with President Xi's emphasis on a "Green BRI" at the 2<sup>nd</sup> BRI Summit in Beijing in 2019, and with the launch of the Belt and Road Initiative International Green Development Coalition (BRIGC), a multi-stakeholder platform with MEE as its supervisor. In January 2022, the MEE, together with MOFCOM, also released a new set of environmental guidelines for foreign investment projects (see the section Key Government Policies and Guidelines).

It is too early to tell how much real power the MEE has over the companies' overseas operations, but so far, the signals from the MEE to such companies are that the MEE is very aware of environmental damages being a top complaint from communities in host countries, and the MEE expects all parties to aim for higher, if not the highest, globally accepted standards. In the future, we may see the MEE requiring companies' overseas operations to comply with domestic environmental

governance policies and licensing systems.

## Sinosure

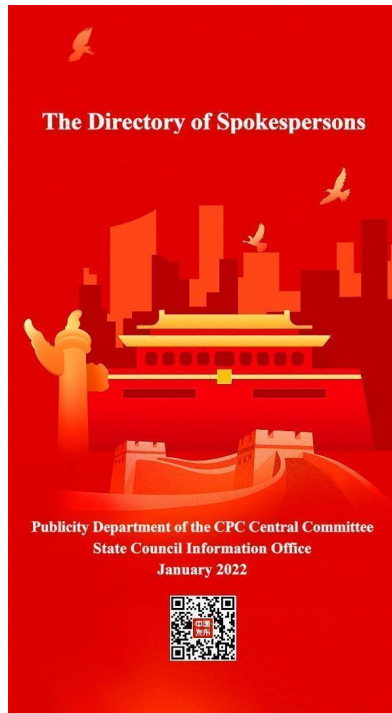
Chinese banks generally require borrowers to get SinoSure Overseas Investment Insurance (creditor's rights insurance) as a condition for approving loans for overseas projects. SinoSure, whose full name is China Export & Credit Insurance Corporation, was established by the Ministry of Finance in 2001 and was elevated to a deputy ministerial-level agency in 2012, right before the official launch of the BRI.

SinoSure constantly monitors and collects data on political, financial, and environmental risks in key BRI partner countries through channels such as local media, local thinktanks, Chinese media, Chinese chambers of commerce or business associations, and Chinese embassies. SinoSure releases an annual Handbook on Country Risks based on this information and analysis.

SinoSure may be a relevant stakeholder to contact at the very early stages of the project lifecycle. By the time a project is approved, however, SinoSure has little influence over the project.

## 3. Contacting and communicating with Chinese stakeholders

### 3.1 How to best contact Chinese stakeholders



When CSOs in BRI partner countries want to contact Chinese stakeholders, their targets are likely Chinese SOEs involved in project implementation, a Chinese bank financing the project, and/or a government agency with influence over the SOE or financier.

One of the best ways to reach Chinese policymakers, banks, and SOEs is through their “spokesperson system”, which has been put into practice since the 1980s. The State Council’s Information Office (SCIO) updates the list each year to ensure that it contains valid phone/fax numbers.

The latest (January 2022) directory of spokespersons for government agencies in English:

<http://www.scio.gov.cn/xwfbh/37429/Document/1719584/1719584.htm>

The latest version of this directory:

[http://english.scio.gov.cn/pressroom/node\\_7248352.htm](http://english.scio.gov.cn/pressroom/node_7248352.htm)

The latest spokesperson directory for SOEs, which has yet to be translated into English:

<http://www.sasac.gov.cn/n2588035/n2641579/n2641650/index.html>

SASAC offices at the provincial levels are listed on the national SASAC website:

<http://www.sasac.gov.cn/n4422011/n17627531/c17633273/content.html>

### 3.2 Tips for effective communication with Chinese stakeholders

1. When framing your advocacy, emphasize China’s international reputation and image. Reference President Xi’s international commitments to sustainability, environmental protection, and climate change, and multilateralism using his speeches and recent Chinese policy statements.
2. Be sure to do your research based on detailed and reliable sources. If you want the story to be covered by journalists, be sure to have reliable people that journalists can contact for information. Also, be sure you do a risk assessment to ensure you are not taking any unnecessary risks or have thought about measures to mitigate those risks.
3. Provide constructive recommendations. It is fine to be critical but Chinese stakeholders will pay more attention if you can provide constructive solutions or a path forward. It helps to package the criticism as a “sandwich”: the top layer being positive with nice words about China’s (Xi’s) commitments; the middle layer being a critical description of the problem; and the bottom layer being constructive recommendations or how the problems should be resolved for positive win-win outcomes.
4. Make a business case by highlighting the costs to companies if they do not address the social and environmental impacts, and the benefits if they do address them.

5. Be sure to include the gender impacts of the project. List those impacts in your factsheet as most BRI projects are in infrastructure, mining, and energy sectors that have long operational lifespans. If these projects do not consider gender equality in the project life cycle, they can reinforce gender inequalities for decades, wasting limited financial resources and putting lives at risk.
6. It helps if the case already has some international media coverage and has attracted some attention and input from the public.
7. Sending emails to Chinese government or bank officials may not be very effective as they generally have a negative impression of CSOs in BRI partner countries. Instead of contacting Chinese government agencies or banks directly, consider contacting and building relationships with Chinese research institutions, consultancy companies or CSOs who work on BRI, ESGs, and/or CSR. These organizations may be more responsive and can influence government policy because they have conversations with officials and their publications are read by government agencies.
8. When reaching out to Chinese companies or government agencies, emphasize your identity as a local CSO who has concerns supported by documentation and other evidence. Minimize mention of international NGOs, funders or partners to reduce suspicion on the part of Chinese stakeholders. This is because Chinese stakeholders are often under the impression – rightly or wrongly - that local CSOs are being manipulated by international NGOs, especially ones from the global North, and they could use this as an excuse not to respond or take your case seriously.
9. It is also important to pay attention to developments taking place in the host country while you are engaging Chinese stakeholders. In the case of Lamu Power Projects in Kenya (see Section 4 below), the decision to cancel the project was confirmed by November 2020, even though the main financier - the Chinese bank, ICBC - had not given a public response.
10. Finally, be persistent and do not give up just because you are not getting a response. It is very rare for the Chinese government, SOEs, and banks to admit they have done something wrong. This means that their response is often not always the best indicator of your communications' effectiveness. Be persistent in raising your concerns and sharing information with the Chinese stakeholders you want to influence.

### **Things NOT to say when communicating with Chinese companies**

Chinese authorities have provided the following instructions to Chinese media when reporting on the BRI:

- Avoid visualizing the BRI as a fixed group of countries because the BRI is an open initiative that any country, or organization can join and participate in developing.
- Avoid talking about the BRI as a strategy, a campaign, or in military terms.
- Avoid calling it “China’s BRI”. It is an initiative that was started and raised by China, but it is supposed to be co-owned, co-built, and enjoyed by all.
- Avoid referring to “excess capacity”.
- Avoid referring to BRI as “aid”. BRI projects are cooperation and investment, not aid.<sup>3</sup>
- Avoid focusing only on the “monetary value” of BRI. Chinese journalists are encouraged to tell more human-interest stories to emphasize the “people-to-people” connectivity of BRI.

<sup>3</sup> In Jan 2021, China's State Council Information Office issued a white paper titled "China's International Development Cooperation in the New Era", which said one of China's principles for international development was "increasing aid to other developing countries within the Belt and Road framework."

## 4. Strategies for engaging Chinese stakeholders at different stages of the project lifecycle

In developing your strategy, it is helpful to think about where the project is in the project lifecycle (Figure 2):

### THE ROLE OF KEY ACTORS IN THE BRI PROJECT LIFECYCLE

	Project initiation	Project financing	Approve / block projects	Project implementation	Monitoring, supervision, troubleshooting
Key actors in China	SOEs	Banks and SOEs	NDRC, MOFCOM	SOEs	MOFCOM MFA
Key actors in recipient country	Joint venture partners, contractors	local actors play a very limited role in financing	National / local governments, courts and political leaders	Joint venture partners, contractors, suppliers	Chinese embassy ECCO National / local governments and political leaders

**Figure 2:** Key Actors in the BRI Project Lifecycle (Adapted from [Thomas Hale, Chuyu Liu, and Johannes Urpelainen \(2020\). Belt and Road Decision-making in China and Recipient Countries](#))

#### The Planning Phase

This is the most crucial of all the stages. This is the time to target local governments in host countries to question the necessity of the projects and call for attention to transparency, community engagement, and environmental protection. This is also the time to get as much media exposure in international and local media as possible to warn investors and contractors about the investment risks. Based on the latest guidance from MOFCOM and the MEE, Chinese companies have been encouraged to start consultation with local CSOs at this stage to avoid unnecessary disagreements and conflicts in the project implementation stages.

#### Feasibility Research Phase

Free Prior and Informed Consent (FPIC) is important at this stage. Usually, this process is carried out by the government agencies and companies in host countries, but Chinese partners do pay attention to the process and especially local media coverage about the project.

CSOs are highly encouraged to refer to local, Chinese, and international laws and regulations to raise questions, doubts and concerns at this stage. The right to Free Prior and Informed Consent (FPIC) for indigenous groups, which is recognized by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), is important at this stage. This is also the stage when public debates and discussions on local media, international media, and social media, get the most attention.



## Project Financing

Most banks have a sustainability policy or framework, and such policies or previous “good practices” are often mentioned in their annual reports<sup>4</sup>. CSOs are encouraged to read through such documents to find loopholes where the bank’s social and environmental policies are being neglected or even jeopardized in projects they finance. Any concerns must be raised at this stage and amplified in local, Chinese and international media to highlight the potential investment risks, as well as political risks, since most Chinese banks, even commercial ones, are state-owned and must report to the Chinese Communist Party.

## Project Implementation Phase (design, procurement, and construction)

In most cases, construction only starts once approved by the governments, financiers, and affected communities, leaving little to no room for “opposition”. However, this is probably the most critical time for the campaigns to be escalated from paper/letter communication to direct communication, targeting as many stakeholders as possible, and joining hands with as many civil society, academic, political, and international allies as possible.

### 4.1 Adjusting CSO engagement based on project stage and urgency level

Depending on the stage of the project, and the level of urgency in addressing community concerns, CSOs can consider the following advocacy strategies in reaching out to different stakeholders (Table 1). CSOs should develop strategies that are consistent with their own campaign strategies, and after conducting a thorough risk analysis.

**Table 1:** Strategies to use depending on urgency level and project stage

Urgency level and stage of the project	Who	How/what*	Media role
<b>Low:</b> bidding stage	<ul style="list-style-type: none"><li>• Host country government</li></ul>	Question the necessity of the project	Host country media
<b>Medium:</b> initiation/feasibility study stage	<ul style="list-style-type: none"><li>• Host country government</li><li>• Chinese company (SOE)</li></ul>	Monitor compliance with host country laws  Demand transparent consultation and FPIC  Mobilize experts from universities and think-tanks to provide testimony and evidence about investment risks  Organize public activities	Host country media; International, Chinese, and social media
<b>High:</b> contract signed; finance secured	<ul style="list-style-type: none"><li>• Host country government</li><li>• Chinese company</li></ul>	Publish opinion pieces; Explore litigation;	Host country media,

<sup>4</sup> For example, AIIB has [AIIB-Amundi Climate Change Investment Framework](#) and [Environmental and Social Framework](#).

	<ul style="list-style-type: none"> <li>Chinese financier (ICBC, BoC)</li> <li>SASAC, MFA, MOFCOM, ExIm Bank;</li> <li>Non-Chinese stakeholders or international banks</li> </ul>	Organize public activities; Communicate/write letters to stakeholders in China; Request a meeting with the Chinese embassy;	Chinese, international, and social media
<b>Extremely high: Implementation stage</b>	<ul style="list-style-type: none"> <li>Host country government;</li> <li>Chinese company</li> <li>Chinese financier</li> <li>International orgs, such as UNEP and UNDP, have endorsed green practices by given financiers/companies.</li> </ul>	Disseminate personal stories and testimonies;  Organize public activities  Organize photo ops at the office of the contractor, financier, or embassy etc.	Host country media; International media
<b>Do or Die</b>	<ul style="list-style-type: none"> <li>SASAC;</li> <li>MFA;</li> <li>NDRC;</li> <li>MOFCOM</li> <li>MEE</li> <li>UNFCCC; UNHCR;</li> <li>World Bank;</li> </ul>	Organize activities in China	International media

\* The exact tactics of interventions shall be assessed based on the case itself and the CSOs.

Before the situation escalates to the most urgent stage, two much more cost-effective and diplomatic communication methods are recommended in the earliest stages: Letter Writing and Media Campaigns.

## 4.2 Letter Writing

When writing directly to Chinese companies and government agencies, two things must be presented first: who you are, and your reason for writing.

Chinese government agencies and companies care deeply about whom they are speaking to. It is important to immediately introduce who you are and why you are the legitimate person to talk to them about the issue raised in the letter (see the sample letter in Box 1 below).

1. The concept and role of official letters: an official letter is applicable to the negotiation between departments that are not subordinate to each other, asking and answering questions and providing clarification or suggestions.

2. Characteristics of official letters: No matter what type of official letter, it is important to show humility, courtesy, and respect.

While writing to the Chinese stakeholders, the following formatting is recommended:

### **Title or Subject Line**

The title of the official letter should consist of 1) the name of CSO/NGO/Network/Alliance etc., 2) the name of the project or Chinese company in question; and 3) the location of the given project.

### **Introductory paragraph**

Provide a self-introduction, and the reason and background for the letter. It is always helpful to reference a recent quote or statement by a Chinese leader or ministry about the importance of “high quality” or “green” infrastructure in the BRI.

### **Main body:**

This can be one or two paragraphs, but it should be simple and to the point:

- One paragraph providing an objective, accurate description of the situation, why it is a major concern, and what kind of action is being requested.
- If it is a response letter, at the beginning of the reply, be sure to include the title and issuing number of the communication from the other party. Some replies also briefly describe the subject of the letter. In some replies, "I hereby reply to the relevant questions as follows" can be used to start the letter.

### **Concluding paragraph**

Reiterate the expected action from the Chinese side, such as a response, or an appointment to meet, or questions for clarification, etc.

### **Other matters to pay attention to:**

- Be clear and precise. Vague and indecisive expressions should be avoided.
- Each letter should ideally only cover one topic, or concerns around one project or one company. Be concise and clear.
- Quote or refer to a Chinese leader’s speech or policy, or local (host country) and/or Chinese laws, if possible;
- The tone should be appropriate, and official, using polite, and sincere expressions.

In the box below is a sample cover letter that has been modified slightly from an actual letter from some Indonesian NGOs to a Chinese bank which responded two weeks later with a request for more materials. It is very short, yet precise and to the point with a specific clear request, leaving the main evidence for the attached factsheet.

## Sample Cover Letter

Dear XXX Bank,

With Regards,

We are a group of civil society organizations from Indonesia that highly appreciate the pledge of President Xi Jinping during the United National General Assembly on 21 September 2021 that the People's Republic of China will not build new coal-fired power plants abroad.

We are concerned about the potential climate and biodiversity impacts of the planned XXX coal-fired power plant located in XXX Province, Sumatra, Indonesia. We are aware that your bank is planning to finance this coal power plant.

We consider that the project is included in the pledge made by President Xi Jinping in regard to not building new coal-fired power plants abroad, as it does not have any footprints on the ground until today.

Therefore, in order to honor the pledge of President Xi Jinping we are asking your bank to cancel the financing of this project as we have written in our attached request and factsheet in Chinese language.

We would highly appreciate a response.

Sincerely,  
XXX

Coordinator of (name of civil society organization)  
Contact information  
Website:

**This cover letter consists of four clear and precise parts:**

1. Start politely with who you are and your appreciation of efforts by the Chinese side

2. State your main concern, and description of the problem.

3. Make an argument to back up demand.

4. State your request

What we have here is a cover letter whose main audience is the decision-maker within the bank, so it needs to be short and to the point, with emphasis on political pressure. A more detailed factsheet is necessary as an attachment to present the impacts from a scientific and legal perspective. Note that the letter brings up President Xi's name and China's UNGA pledge three times. There are good strategic reasons for doing this: 1) it serves as an endorsement of the CSOs' argument and request; and 2) it preempts any possible counterarguments from the Chinese side.

When delivering a letter to the Chinese stakeholder, it helps to try all available channels, such as email, fax, postal service, courier service, etc.

## 4.3 Media campaigns

Media campaigns can be very effective in getting your concerns out to a wider audience. It is always advised to develop a media strategy for your campaigns.

- Media in the host country. The Chinese government and companies, through China's official Xinhua News Agency and embassies, and sometimes through service providers such as MeltWater, monitor their brands and names in the local and international media, especially influential ones. It is therefore



recommended that you work closely with local journalists from the very beginning to create continuous media buzz and pressure.

- Chinese media in the host country. Generally, official Chinese news agencies, such as Xinhua News Agency, China News Agency, CCTV/CRI (China Radio International), and the Communist Party's People's Daily, have bureaus in different countries. They prioritize covering and reporting on what the Chinese government and companies do in host countries. They also hire locals to be stringers, fixers, or translators. Try to get in touch with them through local journalists in the host country. It is important to always send your letters or media advisories to these Chinese media bureaus in your countries. Even when they do not show up or cover your stories, it is still likely that they will send the information, especially complaints, to relevant government ministries in Beijing, or to the Chinese companies involved.
- National media bureaus in China. It is very likely there will be a journalist from your country working for your national news agency in China or Hong Kong. Do some research and find out how to get into contact with that person. They can either make direct appointments or calls to the above-listed spokespeople at the right governments or companies. If possible, ask the journalists working in your national news agency's China office to attend the daily press briefing events at the Ministry of Foreign Affairs in Beijing to ask questions on your behalf.
- International media. The Chinese government cares greatly about its reputation, sometimes even more than making money. They closely monitor how non-Chinese media, especially key national media in host countries and international media, such as Reuters, AP, AFP, BBC, DW, The Guardian, NYT, CNN, etc., report about China. A story by these media outlets would get the project quickly onto the Chinese government's radar. This is when pressure starts to trickle down from Beijing to the provinces, and from policymakers to commercial stakeholders.
- Social Media. Most Chinese companies or government agencies do not have a presence on social media, especially not outside China. The most active users of Twitter and Facebook etc. are the Chinese embassies. However, embassy accounts are not very active, interactive, or engaged. Social media in this case are more tools to amplify the campaign's message to a level high enough to get media attention.

#### [A Philippines media campaign for green energy before COP26](#)

Soon after Chinese President Xi Jinping made the announcement to "stop overseas coal power projects and to step up support for green low-carbon energy in developing countries", and right before COP26, climate activist group 350 Pilipinas did a photo opportunity in front of the Chinese embassy in Manila to "drum up the momentum for COP26", and to call on China to provide more details regarding the timetable of possible coal projects. They designed a celebratory activity of dragon and lion dances, which are usually saved for Chinese New Year or the launch of new businesses. The banners, in both English and Chinese, said "Clean Energy, Green Future". The Chinese embassy responded by sending a representative out to accept 350 Pilipinas' letters which were presented as a "green red packet", sending the message that the smart investment opportunities are in renewable energy.

In media campaigns, the message and messengers are just as important.

- In the earlier stages, messages focused on business risks (including financial and reputational costs to the company) work better than personal emotional pleas to Chinese ears, but emotional sensational cases work better with international media and should only come into play at a later stage when the project is getting close to the construction stage.
- To increase the effectiveness of your message, ensure that it comes from local voices in the host country and minimize mention of international NGOs, funders, and partners to avoid suspicion on the part of Chinese stakeholders who are often under the mistaken belief that local voices are being manipulated by international (and particularly Western) forces.

## 5. Key terms and government policies and guidelines to reference when communicating with Chinese stakeholders

This section provides some useful terms from the speeches of leaders such as President Xi Jinping, and Chinese government policies and guidelines<sup>5</sup>. These terms are useful to refer to when communicating with Chinese stakeholders to add political pressure. It always helps to begin a dialogue or a letter by quoting President Xi Jinping. This sends the message that 1) you have done your homework and know something about China, and 2) you are using politically correct communication, and there is no room for disagreement because it is coming from the mouth of President Xi.

### 5.1 Key Terms

#### 1. “National interests” or “National security”

One of the principles listed in the above-mentioned document, the Regulations for Chinese Enterprises’ Overseas Investment by the NDRC, is Article 5: “Overseas investments must not disobey China’s laws and regulations and must not threaten or damage China’s national interests or national security. The term “national interests” can be interpreted broadly to include financial interests, political power gains, or China’s reputation. Therefore, it is useful to find an angle to make your cases or appeals with arguments that “environmental or social misconducts or even misdemeanors by the Chinese investor/contractor pose serious financial and/or reputational risks to China” and thus run counter to China’s national interest.

#### 2. [BRI's 5 pillars or goals \(or the "5 connectivities"\)](#)

In an official BRI document China presented to the UN, the five pillars or goals of BRI are described as “policy coordination, connectivity of infrastructure, unimpeded trade, financial integration, and closer people-to-people ties”. China sees BRI benefiting international development in these five areas.

Current BRI projects have focused on infrastructure and trade, while the people-to-people connection is the least-developed link but is seeing more attention now with China’s offer of vaccines and health care to developing countries during the pandemic.

#### 3. “BRI partner countries,” or “BRI host countries,” but NOT “BRI countries”

The Chinese government wants the world to see BRI as an open, collaborative initiative. It wants to avoid having BRI branded as a Chinese initiative and instructs Chinese media to avoid describing it as such. Instead, it wants the BRI to be jointly developed with other countries, with the “5 connectivities” providing mutual benefits to both China and developing countries, with the ultimate destination being a vision of “a Community of Shared Future for Mankind.”

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<sup>5</sup> Another useful resource for understanding Chinese terms is [Decoding China](#).

For this reason, the Chinese government has instructed Chinese media to refer to other countries in the BRI as “BRI partner countries”, “BRI host countries”, or “Belt and Road en-route countries”, and not simply “BRI countries”.

#### **4. [A green BRI, healthy BRI, intelligent BRI, and peaceful BRI](#)**

In 2016, President Xi Jinping called for building a “green, healthy, intelligent and peaceful” Belt and Road, while on a visit to Uzbekistan.

- Green refers to environmental protection.
- Healthy refers to medical cooperation.
- Intelligent refers to high-tech and digital.
- Peaceful refers to stable bilateral relationships and global peace.

Other important principles of BRI are voluntarism in joining BRI and initiating projects, equality (mutual respect and understanding between countries), and mutual benefit (for both China and the partner country).

#### **5. High-quality BRI with a green background**

This term was coined in response to the accusation of “polluting and low-quality” BRI projects that were aimed at dumping outdated Chinese equipment and technologies on other countries.

At the [2nd Belt and Road Forum](#) in April 2019, Xi urged “all parties to further substantiate the guiding principles for high-quality development of Belt and Road cooperation” and stressed that “the BRI must be open, green and clean, and follow a high-standard, people-centered and sustainable approach”.

The guiding documents released in 2021 by MOFCOM and the MEE can be seen as a follow-up to Xi’s speech to implement the spirit of a high-quality BRI with a green background.

#### **6. BRI should complement the host countries’ own development strategy**

The Chinese government tries hard to downplay its dominant role in BRI, and to highlight the role played by the host country. Many of the projects labeled as “BRI” were actually approved in line with the host country’s development plan years before the BRI name was coined in 2013. Thus, the words “complementary”, “shared”, and “common” often appear in Xi’s speeches regarding the BRI and refer respectively to the three key features of any BRI projects: “mutually negotiated,” “jointly constructed,” and “mutually beneficial.”

In 2017, at the [first Belt and Road Forum](#), President Xi said “the pursuit of the Belt and Road Initiative is not meant to reinvent the wheel. Rather, it aims to complement the development strategies of countries involved by leveraging their comparative strengths.”

In 2019, at the [second Belt and Road Forum](#), Xi said “We must make continued efforts to enhance the complementarity and synergy between the Belt and Road cooperation and the development strategies and agenda at national, regional and international levels.”

There are more examples of the terms here: <http://keywords.china.org.cn/index.htm>



## **7. Building a community of shared future for mankind**

This term is one of the most important political legacies to be left by Xi. So, when quoting it, be sure it is quoted accurately and with an understanding of its significance.

The notion of “promoting a sense of community of shared future for mankind” was first introduced at the 18th National Congress of the Communist Party of China (CPC) in November 2012. The idea has become the guiding principle of China’s international relations, with a vision of “a world of common prosperity built through win-win cooperation”.

In January 2017, Xi took the concept to the United Nations and explained that “all countries should jointly shape the future of the world, write international rules, manage global affairs and ensure that development outcomes are shared by all.”

“China’s development has been possible because of the world, and China has contributed to the world’s development. We will continue to pursue a win-win strategy of opening up, share our development opportunities with other countries, and welcome them aboard the fast train of China’s development.”

## **8. Two Mountain Theory: green mountains and clear rivers are mountains of gold and silver**

In 2005 when Xi Jinping was Party Secretary of Zhejiang Province, he paid a visit to villagers who had campaigned to get polluting factories closed and published an opinion piece in the provincial newspaper, saying that: “Green mountains and rivers are mountains of silver and gold.” He called for pursuing harmony between man and nature as well as harmony between the economy and society, in order to have clear water and green mountains along with “mountains of silver and gold.”

After Xi Jinping took office as China’s president in 2012, the Two Mountain Theory was brought up as a new guiding theory to balance economic and ecological considerations. Within China, environmental CSOs used the Two Mountain Theory to push provincial governments and companies to fight pollution, and courts to accept environmental public litigation cases.

In 2018, UNEP published a lengthy and complimentary story about Xi’s Two Mountain Theory: [Green is gold: China’s remarkable revival project](#). This is a good case to refer to and use in official communications packages.

## **9. Ecological civilization**

The term “ecological civilization” was developed from the “Two-Mountain Theory” and officially incorporated into the Communist Party of China’s Charter in 2012, and in 2018 was incorporated into China’s Constitution, as China’s overall environmental protection and governance philosophy.

This is another of Xi’s legacies, who has been using this term in all major global events about environmental protection. The latest was at the Xi-Biden Summit on Nov 17, 2021, in which Xi proudly said “today, ecological conservation has become a household concept and social consensus in China”.

The Communist Party’s mouthpiece, the People’s Daily, published a review of Xi Jinping’s life to illustrate how “ecological civilization”, or “harmony with nature”, has always been a core part of Xi’s ideology.

At the Leaders' Summit on Climate in April 2021, Xi coupled the idea of "ecological civilization" with the BRI by saying "China will follow the Thought on Ecological Civilization and implement the new development philosophy... China has also made ecological cooperation a key part of Belt and Road cooperation."

#### **10. China's new Image as credible, loveable, and respectable**

Recent use of assertive, nationalistic rhetoric by some representatives of China's MFA, or what some call "Wolf Warrior diplomacy," has caused concern among Chinese leaders who have called for a less confrontational approach.

In May 2021, President Xi Jinping told senior Communist Party officials that it is important for China to present itself as a "credible, loveable and respectable" nation to the world. He said, "it is necessary to make friends, unite and win over the majority, and constantly expand the circle of friends," and added that China should be "open and confident, but also modest and humble" in its communication with the world.

Despite the speech, not much has changed in the tone or image observed at the daily pressers by the MFA. However, the phrase is useful to point out possible areas where certain Chinese companies or BRI projects might sabotage this effort to build a "credible, loveable and respectable" image of China.

#### **11. China and ASEAN: Peaceful, safe, prosperous, beautiful, and amicable.**

On Nov 23, 2021, at the Special Summit to Commemorate the 30th Anniversary of China-ASEAN Dialogue Relations, Chinese President Xi Jinping delivered a speech entitled "[For a Shared Future and Our Common Home](#)". In his speech, Xi outlined his vision for the China-ASEAN relationship: a peaceful home, a safe and secure home, a prosperous home, a beautiful home, and an amicable home.

#### **12. Promises shall be kept, and actions shall be impactful**

This traditional phrase has been one of the most widely used in Xi Jinping's global speeches about China's climate or BRI pledges. The latest was when Xi had a virtual meeting with U.S. President Biden on Nov 16, 2021: "[China means what it says. It only commits to what it can deliver, and never makes a promise it cannot keep.](#)" It is also often used by the MFA to highlight that China's words can be trusted, in contrast to Western countries who often "fail to deliver on their promises". This phrase is very useful to hold Chinese players accountable.

#### **13. Small yet beautiful**

At a [press conference on Jan 19, 2022, by SASAC](#), the term "small yet beautiful" was brought up for the first time concerning overseas investment by SOEs. This term reflected an almost 180-degree change of direction from the previous BRI emphasis on gigantic projects with trillions of dollars in investment, construction cycles spanning years if not decades, and endorsement by heads of state.

SASAC said at the presser, as one of its 2022 BRI priorities, it plans *to establish "small yet beautiful" welfare projects*. SASAC will launch and incubate a series of welfare projects that *"involve small investments, can be quickly constructed, and will bring economic and social benefits to local communities,*

*creating more local job opportunities, and improving their livelihoods and sense of achievement (in the host countries).”*

## 5.2 Key Government Policies and Guidelines

China is one of the charter members of the United Nations and is one of five permanent members of the UN Security Council. China has signed and ratified several international treaties on human rights, such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), International Covenant on Economic, Social, and Cultural Rights (ICESCR), Convention on the Rights of the Child (CRC), Convention on the Rights of Persons with Disabilities (CRPD), among others. China has affirmed and committed to integrate the Sustainable Development Goals (SDGs) into domestic development, as well as international development and aid. Over the last few years, China has made a number of policy commitments to the SDGs.

In July 2021, the MEE and MOFCOM released the [Guidelines for the Green Development of Foreign Investment & Cooperation](#)

- Environmental and social standards: If such laws and regulations are not available in the host country, or the standards for environmental protection standards are insufficient, **Chinese companies are encouraged to adopt the standards prevailing in international organizations or multilateral institutions**, or Chinese standards for investment and cooperation activities.
- International framework: **Chinese companies should be encouraged to conduct overseas investment and cooperation in compliance with the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, the 2030 Sustainable Development Goals**, the "Belt and Road" Green Investment Principles, and other requirements. They should be encouraged to actively participate in the activities of relevant international organizations, and promote the development of more appealing, executable, authoritative, and effective green investment rules and standards.
- Communication with host countries: Chinese companies should be encouraged to strengthen communication and exchanges with the government, media, people, and environmental organizations of the host country, fulfill their green social responsibility, eliminate the adverse impact of negative reports in a timely manner, and establish a green corporate image.
- For energy: Chinese companies should support overseas investment in solar energy, wind energy, nuclear energy, biomass, and other clean energy fields, participation in the energy production and consumption revolution worldwide, and establishing a clean, low-carbon, safe and efficient energy system.

In October 2021, China hosted COP15 for the Convention on Biological Diversity (CBD). There, the ministers adopted the Kunming Declaration entitled “Ecological Civilization: Building a Shared Future for All Life on Earth.” President Xi Jinping also committed 1.5-billion-yuan to establish the Kunming Biodiversity Fund to protect biodiversity in developing countries.

In January 2022, the MEE and the MOFCOM jointly released another set of [updated guidelines](#), urging Chinese companies to be vigilant with environmental protection throughout the life cycle of their overseas

operations. The guidelines added climate change as an overarching consideration for Chinese companies to include in their projects, asking manufacturers or infrastructure projects to follow green and low-carbon practices and reduce green-gas emissions. The guideline specifically encourages energy projects to prioritize clean, green renewable energy, and all projects to give sufficient consideration to the surrounding ecology and environment. It reminds Chinese companies that environmental protection should go beyond pollution control to include climate mitigation and biodiversity conservation.

In mid-March, 2022, a policy paper focused on climate change was released jointly by four ministries: the NDRC, MFA, MEE, and MOFCOM, with the title [An Opinion on the Co-Building of a Green BRI](#). The Opinion noted that “the building of a green BRI is an internal (domestic) demand to implement green development and to construct an ecological civilization, but it is also a major measure to actively address climate change and to protect global ecological security.”

The four guiding principles laid out in the Opinion are:

1. Mutual green benefits and win-win. Stick to multilateralism, the principle of common but differentiated responsibilities. Sufficiently respect the reality of BRI partner countries, and encourage mutual learning and sharing.
2. The government provides guidance, but the main responsibility lies with the enterprises.
3. Strong and systematic coordination between government agencies, provincial and local governments, and enterprises, to build green project showcases.
4. Legal compliance and risk prevention. Projects must strictly abide by ecological and environmental laws and regulations and standards in BRI partner countries, and attach high importance to local communities’ demands for green development and ecological and environmental protection.

The document also has a specific section about overseas coal power plants: to completely stop building new coal power plants, to move ahead with prudence and cautiousness for those under construction, and to upgrade environmental facilities for those already operational.

In June 2022, the China Banking and Insurance Regulatory Commission (CBIRC) released the Green Finance Guidelines for Banking and Insurance Sectors, with the aim to promote green finance, increase support for a green, low-carbon, circular economy, and prevent ESG risks. The Guidelines specify some details that are relevant to overseas projects:

1. The board of directors bear the principal responsibility for green finance, and the senior management is responsible for objectives, and execution.
2. Banks/Insurers should “urge clients to strengthen ESG risk management”;
3. Banks/Insurers should “introduce a (black)list management system for clients with high ESG risks”;
4. Banks/Insurers should “establish grievance mechanisms and channels.”

### **5.3. Other stakeholders to consider:**

It is vital to note, that besides direct communications efforts with the Chinese companies or Chinese government agencies, there are many other institutions inside China who are just as concerned and are eager to help to improve the situation on the ground in BRI partner countries.

They include international NGOs, industry associations, Chinese NGOs, Chinese GONGOs etc.

They are more approachable and sympathetic to CSO partners from outside China and have rich experience and existing channels to reach the right corporate or government stakeholders inside China. See Appendix 2 for a list of Chinese organizations that could be strategic partners.

## 6. Case studies of effective communication with Chinese stakeholders

### Case 6.1: Two NGOs Win China's First Environmental Public Interest Lawsuit

#### CSO actions and demands:

On December 4, 2014, two environmental groups: Friends of Nature and Fujian Green Home, filed a complaint in the Nanping Court in Fujian province, against four individuals of a quarry company, seeking cleanup and restoration of an illegal mining site. On January 1, 2015, a revised new environmental law came into effect, and the local court accepted it as a public interest litigation case. It was China's first NGO-led case to be filed and accepted by a local court, which was made possible only because the new Environmental Protection Law opened the door to allow more NGOs with legal registration and at least five years of operations to qualify as plaintiffs.

After two lengthy hearings in May and June, the Nanping Court announced its ruling in October 2015, in favor of the two environmental groups against the quarry company for pollution near the city of Nanping. The court ordered that 1) the defendants shall restore the damaged site by cleaning up the waste and replanting trees, within five months, and maintain and protect the site for three years; 2) in case of failing to implement the first order within the timeframe, the defendants shall pay 1.1 million yuan (approximately 172,000 dollars) as a fund for the restoration; 3) the defendants shall pay a 1.27 million yuan (approximately 200,000 dollars) fine to remove all mining materials and waste rock from the site within five months; and 4) the defendants shall pay the plaintiff's attorney fees, expert consultation fee, and other litigation-related costs.

The victory was finalized two months later in December with a final verdict by the Fujian High People's Court. It was hailed as a milestone for environmental public interest litigation cases in China.

Wang Canfa, a professor at the China University of Political Science and Law, called the ruling a model for NGOs to follow for two reasons. First, the court accepted the registration and legal status of NGOs to sue, setting a precedent. Second, the presiding judge ordered the defense to restore the ecological landscape, whereas the previous law only imposed fines for pollution damage.

Ge Feng, Friends of Nature's legal and policy advocacy department director, pointed out that part of the ruling to demand polluters pay litigation fees and plaintiff's lawyer costs would also send an encouraging signal to more NGOs. Usually, high assessment and litigation fees are challenges for non-profit organizations.

#### Experiences Gained and Lessons learned:

- Persistence will pay off. The litigation case was only accepted on January 1, 2015, by the local court in Nanping, Fujian province, when the new law came into effect. However, before that day, the two NGOs had already done dozens of rounds of communications and engagement with the local government and local court.



- Litigation can be a very powerful campaign strategy, especially with BRI projects. Whether it is a Chinese law, local law in host countries, or international law, NGOs should be prepared and empowered with such knowledge for two purposes: to communicate directly with Chinese stakeholders and to carry out litigation. Chinese companies will often do anything to stay out of legal cases which can trigger high media interest.

## **Case 6.2: Cancellation of the Lamu Coal Power Plant in Kenya**

### **Background:**

In 2013, Kenya announced a plan to build the country's first-ever coal power plant, on Lamu Island.

With a capacity of 1050-MW, the Lamu Power Plant would annually be burning 2.6 million tonnes of coal, imported from South Africa, Mozambique, Indonesia, and Australia. It was going to be built under a BOO (Build, Own and Operate) model, with a 25-year license.

Bidding started in early 2014 and three companies, Gulf Energy from Kenya, Centum Investment from Kenya, and Power Construction Corporation of China, combined to win the project contract.

Funding for the project was sourced in three parts: 25% from the two Kenya companies through a new joint venture called Amu Power, 15% from Standard Bank in South Africa, and 60% from ICBC, which is also Standard Bank's largest shareholder with a 20% share.

ICBC officially confirmed the news on June 9, 2015. All of the USD 1.2 billion dollars for the project was guaranteed. Construction was expected to start in December 2015 and finish in October 2017.

### **CSO actions and demands:**

Over 40 African groups formed the Save Lamu Coalition and raised concerns about air pollution, sea pollution, and climate change. They also raised suspicion that coal was the right choice to solve Kenya's energy needs, as well as doubts over the processes of EIA and SIA. They collected signatures and sent open letters to Lamu mayor Issa Timamy. UNESCO joined and also expressed concern over the future of the heritage.

Starting from early 2016, the Save Lamu Coalition started to send letters to ICBC with a call to cancel their support for the power plant. They even went directly to the ICBC branch in Nairobi to deliver the letters and petitions with CSO sign-ups from within Kenya and from other African countries. They never received an answer.

Construction was delayed and, in September 2016 and February 2017, the project received the green light from Kenya's environment and energy agencies respectively.

A protest was organized in May 2017. Five months later, Standard Bank announced that they would no longer provide financing for the Lamu Power Plant.

### **Communications with ICBC and the Chinese embassy:**

The efforts to communicate with ICBC, however, from early 2016 all the way to 2019, received no formal response.

The CSO coalition in Kenya began sending letters to the Chinese embassy in Kenya in January 2019 and even tried to deliver the letters in person in May. They also showed up at a UN biodiversity talk in Kenya to visit the Chinese delegation with the same demand.

On June 26th, 2019, the National Environment Tribunal (NET) canceled the license issued by the National Environment Management Authority (NEMA) to Amu Power for the construction of the Lamu Coal Power Plant.

Two days later, the Chinese embassy opened its doors to the Save Lamu coalition. Wu Peng, Chinese Ambassador to Kenya, reassured the CSO representatives that "whether a coal power plant is built or not should always be and will in the future be the decision only people in Kenya can make."

In November 2020, the Save Lamu Coalition learned that "ICBC has decided not to finance the Lamu coal plant due to cited environmental and social risks with the project." This news was never confirmed by ICBC, and the Save Lamu Coalition also did not say from what source they got the news.

### **Experiences Gained and Lessons learned:**

- Use domestic arguments such as problems with the EIA/SIA process and lack of rationale for coal over renewable energy, for electricity. Focus on calling out host country wrongdoers first, and directly targeting relevant local companies and (city, state, province, or even ministry) government agencies.
- Chinese embassies care more about the country's "reputation" while the bank cares more about money. These are two different buttons and angles to push when reaching out to them.
- Sometimes, go for the unusual suspects, such as a Chinese delegation at a UN biodiversity conference. The message will trickle up or down and, finally, reach the target.
- Getting a response from ICBC was not the goal. Stopping the Lamu Coal Power Plant was.

More information about the Save Lamu case can be found:

- <https://www.unep.org/news-and-stories/story/lamu-coal-plant-case-reveals-tips-other-community-led-campaigns>
- <https://chinadialogue.net/en/energy/lamu-kenyan-coal-project-chinese-investors-take-environmental-risks-seriously/>
- <https://www.jdsupra.com/legalnews/climate-change-litigation-in-africa-6294585/>
- <https://thepeoplesmap.net/project/lamu-coal-power-plant/>

## **Case 6.3: Campaigns Against Coal Power Plants in Bangladesh**

### **Background:**

Energy-hungry Bangladesh is one of the largest recipient countries for China's investment in energy projects under BRI. Although, Bangladesh also gets financial support from Japan, India, and Singapore, for various power projects; including imported coal and liquified natural gas (LNG). Bangladesh is also an important strategic partner in the Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC) under BRI.

Before BRI, Japan was Bangladesh's largest supporter of coal power plants. Currently, there are 27 coal power plants operated, or to be built, by Japanese companies or with Japanese financing, and only 20 supported by China. In terms of installation capacity, more than 50% of the coal power plants in Bangladesh are backed by Chinese banks and construction companies.

Power Construction Corporation of China Limited (PowerChina) is the largest Chinese construction company in Bangladesh having implemented 14 projects through its 20 subsidiaries amounting to USD 4.7 billion. Funding came mainly from the Bank of China, ExIm Bank of China, and the China Development Bank (CDB). Bangladesh Power Development Board, under the Ministry of Power, Energy, and Mineral Resources, is the main host country partner for Chinese power companies for building these projects.

### **CSO activities and demands:**

These projects caused many social and environmental problems including land grabbing, lack of information and agreement from communities, water contamination, air pollution, workers' rights, and of course, climate change impacts on some of the world's most vulnerable communities. Some of the projects even had incidents where workers, both Chinese and Bangladeshi, were killed or injured.

Bangladesh climate and human rights CSOs carried out active campaigns directed toward both the Chinese and Japanese governments, banks, and companies. They also formed strong allies with NGOs in Japan to support their calls by reaching out directly to Japanese stakeholders from within Japan. However, they were unable to find important allies from China.

Within Bangladesh and Japan, CSOs took different intervention approaches including demonstrations, legal actions, forums, and mass media campaigns including advertisements. When it came to Chinese efforts, People of Asia for Climate Solutions (PACS) was the lone Chinese partner supporting their calls.

Two communications strategies were adopted: 1) coverage in the Chinese media on Japanese cases and scandals to serve as a warning to PowerChina and the Chinese banks; 2) attention to Bangladesh's coal investment risks and energy policies, which included economists' opinions and the Bangladesh government's climate positions. The Chinese media involved included China Energy News, China Environment News, and Caixin.

### **Communications with ICBC and the Chinese embassy:**

In February 2021, China's embassy in Bangladesh sent a letter to Bangladesh's Ministry of Finance stating that “the Chinese side shall no longer consider projects with high pollution and high energy consumption, such as coal mining and coal-fired power stations”.

The letter was sent by the Economic and Commercial Counselor at the Chinese Embassy, who reports directly to the Ministry of Commerce in Beijing, instead of the Ministry of Foreign Affairs. So, their focus was business-oriented, rather than focusing on reputation or bilateral relationships, although certainly, it is safe to presume that there had been full consultation with the ambassador before the letter was sent.

The letter was a direct response to the Bangladesh Ministry of Finance's three separate letters in January to inform them of the cancellation and to request the replacement of five projects, which originally were valued at over \$3.6bn in infrastructure loans. The letter made direct reference to the five related projects:

- China is willing to invest in five different projects and requests the Ministry propose five replacement projects, which will be evaluated and considered;
- Total financing for the five replacement projects will not necessarily equal the USD 3.6 billion expected for the original projects;
- The embassy recommends the replacement projects be "relatively small scale";

At the same time, for any replacement projects, the Chinese embassy letter stressed: "the Chinese side will no longer consider projects with high pollution and high energy consumption, such as coal mining, or coal-fired power stations".

This was more than half a year before Chinese president Xi Jinping announced at the 76th UNGA that China would “no longer build new coal power projects overseas”. This was an indication that within China, a decision to stop financing coal projects had already been made in Beijing. The backdrop to the proactive mentioning of coal on the Chinese side was, however, part of a much bigger global movement to phase out coal. A few governments had already announced plans at the Climate Ambition Summit in December 2020, to stop building new coal power plants or to stop subsidizing fossil fuels.

Almost a month after receiving the letter from the Chinese Embassy, news stories started to appear in Bangladesh media that the government was considering canceling six coal power plants, which expanded to 16 in two separate announcements in June and Nov.

### **Experiences Gained and Lessons learned:**

- Taking the business side of BRI into consideration, at least for the main targets such as the Ministry of Commerce or SOEs, it is important to follow an economic narrative and highlight the risks of investment.
- Sometimes, a direct attack on Chinese projects would be too sensitive for Chinese media to cover. However, the stories about Japanese companies and banks in Bangladesh's coal power plants worked very well, both in mainstream media and in new media. Judging from the comments on the stories, the Chinese energy companies and banks clearly got the message.

- It is a diplomatic courtesy to respond to the host government's requests. This again reflects the importance of having an insider ally in the government, if not at the ministry level, at least at the local, provincial, or state level.

More information about China's coal investment in Bangladesh can be found:

- <https://bwged.blogspot.com/p/bri-china.html>
- <https://www.nsenenergybusiness.com/projects/matarbari-coal-fired-power-plant/>
- <https://www.ft.com/content/30840645-58d2-4da5-be05-f476623677d2>

## 7. Appendix 1: List of Acronyms

ASEAN - Association of Southeast Asian Nations  
BCIMEC - Bangladesh-China-India-Myanmar Economic Corridor  
BOO - Build, Own and Operate  
BRI - Belt and Road Initiative  
BRIGC - Belt and Road Initiative International Green Development Coalition  
CBD - Convention on Biological Diversity  
CCTV - China Central Television  
CEDAW - Elimination of All Forms of Discrimination against Women  
CPC - Communist Party of China  
CRC - Convention on the Rights of the Child  
CRI – China Radio International  
CSO - Civil society organizations  
CSR - Corporate social responsibility  
ECCO - Economic and Commercial Counselor's Office  
EIA – Environmental impact assessment  
ESG - Environmental, social, and governance  
FPIC - Free Prior and Informed Consent  
GONGO - Government-organized non-governmental organization  
ICBC - Industrial and Commercial Bank of China  
ICESCR - International Covenant on Economic, Social, and Cultural Rights  
MEE - Ministry of Ecology and Environment  
MFA - Ministry of Foreign Affairs  
MOFCOM - Ministry of Commerce  
NDRC - National Development and Reform Commission  
NEMA - National Environment Management Authority  
NET - National Environment Tribunal  
NGO - Non-governmental organization  
SASAC - State-owned Assets Supervision and Administration Commission  
SCIO - State Council's Information Office  
SDGs - Sustainable Development Goals  
SIA – Social impact assessment  
SOE - State-owned enterprise  
UNDP - United Nations Development Programme  
UNDRIP - United Nations Declaration on the Rights of Indigenous Peoples  
UNEP - United Nations Environment Programme  
UNFCCC - United Nations Framework Convention on Climate Change  
UNGA - United National General Assembly  
UNHCR - United Nations High Commissioner for Refugees



## 8. Appendix 2: List of Chinese Contacts

### Industry Associations

中国对外承包工程商会 **China International Contractors Association (CHINCA)**

<https://www.chinca.org/EN>

CHINCA is a national association whose members are Chinese international project investors, contractors, labor service companies, and related service providers. It recently issued several responsible business guidelines and handbooks, including *Guidelines of Sustainable Infrastructure for Chinese International Contractors (SIG)*, and *Community Engagement Handbook for Chinese International Contractors (2021 Edition)*

中国产业海外发展协会 **China Overseas Development Association** <http://www.ciodpa.org.cn/>

CIODPA was first initiated and established by NDRC in 2004. Its mission is to support China's industries, especially the energy industry, to expand *their* overseas investments. CIODPA has close connections with both the NDRC and foreign embassies in China.

They can be reached at [contactus@chinagoabroad.com](mailto:contactus@chinagoabroad.com) or [codacc@163.com](mailto:codacc@163.com)

中国五矿化工进出口商会 **China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC)** <http://en.cccmc.org.cn/>

CCCMC is a nationwide and industrial association whose members are Chinese companies in the metals, minerals, hardware, building materials, petroleum and chemical materials industries. It has issued several responsible business guidelines, including *Guidelines for Social Responsibility in Outbound Mining Investments (GSRM)*, *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains*, *Guidelines for Sustainable Natural Rubber*, etc.

**Banks** (below are 6 state banks that have provided over 90% of the funding for BRI projects)

- China Development Bank
- China ExIm Bank
- Bank of China
- The Industrial and Commercial Bank of China (ICBC):
- The Agricultural Bank of China
- The Construction Bank of China

All these banks are listed companies. It is relatively easy to go to their websites and find the contact information from their annual reports. Based on the latest Guidelines from the China Banking and Insurance Regulatory Commission (CBIRC), banks will likely be setting up new ESG positions. Bank of China and ICBC both have branches in many BRI partner countries.

## Researchers/Consultants

商道纵横 <http://www.syntao.com/home>

SynTao Co., Ltd., is a Chinese company providing consultancy on CSR, sustainability, and ESG. They mostly focus on businesses' operations inside China but are now looking into BRI-related issues. Their biggest asset is their network of Chinese companies and understanding of and connections with CSOs. With CHINCA's support, it developed the *Community Engagement Handbook for Chinese International Contractors (2021 Edition)*

## Academic institutions/Think-tanks

绿色金融国际研究院 **International Institute of Green Finance (IIGF)** [www.greenfdc.org](http://www.greenfdc.org)  
[www.green-bri.org](http://www.green-bri.org) <https://iigf-china.com>

The International Institute of Green Finance (IIGF) of the Central University of Finance and Economics (CUFE) is an independent, non-profit think tank established in China in September 2016. The IIGF specializes in Chinese green finance at the national and local levels and conducts research on green finance internationally.

Wang Yao, who leads IIGF, is also Deputy Secretary-General of the Green Finance Committee (GFC) in the China Society for Finance and Banking, giving IIGF access to the Ministry of Finance and Chinese banks including the central bank. IIGF introduced the “Traffic Light System” in 2020 to take climate, pollution, and biodiversity impacts into consideration in order to evaluate risks for BRI projects.

中国人民大学国家发展与战略研究院“一带一路”研究中心 <http://nads.ruc.edu.cn/>

The National Academy of Development and Strategy (NADS) and the National Academy of Belt and Road Green Development of the China International Culture Exchange Center (CICEC) are both established by one of China's top universities, Renmin University of China.

一带一路绿色发展国际联盟 **Belt and Road Initiative International Green Development Coalition (BRIGC)** <http://en.brigc.net>

The BRI International Green Development Coalition (BRIGC) was first proposed at the 1st BRI Summit in 2017 by President Xi Jinping and officially launched in 2019 at the 2nd BRI Summit. It currently sits under MEE with the UNEP, and international NGOs such as the World Wildlife Fund (WWF), Natural Resources Defense Council (NRDC), and World Resources Institute (WRI), as the main international partners.

The main goal of BRIGC is to promote international understanding, cooperation and concerted actions to achieve green development of the BRI, to integrate sustainable development with the BRI, and to facilitate BRI partner countries to incorporate the environmental and developmental priorities of the SDGs.

## National NGOs

中国国际民间组织合作促进会 **China Association for NGO Cooperation (CANGO)**

<http://www.cango.org/en/>

CANGO is a Chinese non-profit membership organization, founded in 1992, by the the Ministry for Foreign Trade (now MOFCOM). It is an NGO backed by the Chinese government, with strong ties to different agencies, especially MOFCOM since its board members or former directors are MOFCOM officials or retired ones. Its members are Chinese NGOs while its partners are mostly non-Chinese organizations. CANGO has been interested in supporting Chinese NGOs going out, and facilitating the “people-to-people” connection under BRI.

中国生物多样性保护与绿色发展基金会 **China Biodiversity Conservation and Green Development Foundation (CBCGDF)** <http://www.cbcdgdf.org/English/index.html>

It is also known as the Green Development Foundation. CBCGDF was founded by the China Association for Science and Technology, which is a GONGO backed by the Ministry of Sciences and Technologies. CBCGDF's long-standing board chair is Hu Deping, son of the late Chinese Communist Party General Secretary Hu Yaobang. This gives CBCGDF a unique position and influence in Beijing. CBCGDF is a member of a few governmental and non-governmental coalitions devoted to green BRI.

中国乡村发展基金会 **China Foundation for Rural Development (CFRD)** <https://www.cfpa.org.cn/>

CFRD, was formerly called China Foundation for Poverty Alleviation (CFPA) , founded in 1989 under the State Council's Poverty Alleviation Office. While CFRD was established by a government agency, it has taken steps to become a more professional and independent entity. It is one of the first Chinese NGOs to work overseas starting in 2005 when it focused on disaster relief. It now has offices in Myanmar, Nepal and Ethiopia and has broadened its work to align with the SDGs, in particular poverty, hunger, health, education, water and sanitation, and assisting women and youth to find decent work.

中华环保联合会 **the All-China Environment Federation (ACEF)** <http://www.acef.com.cn/en/>

ACEF is a membership association founded by the Ministry of Environmental Protection (now MEE). All the board members are former government officials from scientific and environmental protection agencies, or from the Chinese People's Political Consultative Conference (CPPCC), a high-level political advisory body. ACEF has non-Chinese environmental officials, including some from BRI partner countries, on their “international development” advisory team.

## Grassroots NGOs

自然之友 **Friend of Nature** <http://www.fon.org.cn/>

Friend of Nature was founded in the early 1990s and is one of China's oldest and largest environmental organizations. With its strong legal team, FON began contributing its legal knowledge on Chinese overseas investment, and recently released several reports to explain the legal framework of Chinese overseas investment, such as the Handbook on Overseas Investment by Chinese Enterprises and Compilation and Analysis of Laws, Regulations, and Policies on Overseas Investment by Chinese

Enterprise. It recently organized an online workshop on Transnational Environmental Accountability in Outbound Foreign Direct Investment with its Indonesian partners.

永续全球环境研究所 **Global Environmental Institute (GEI)** <http://www.geichina.org/en/>

GEI, or sometimes called GEI-China to be distinguished from the original US organization, was founded in 2004, as an environmental NGO think-tank with a strong focus on Chinese companies' expanding businesses and their global environmental impacts. Its founder and board of directors have close relationships with government ministries. GEI has worked extensively on forest protection, hydropower, and energy projects in the BRI.

社会资源研究所 **Social Resources Institute (SRI)** <http://www.srichina.org.cn/about/en/>

SRI was founded in 2008 in China as a non-profit research and consultancy group with a focus first on China's rural development and responsible business investment. Most of their BRI-related work has focused on how Chinese NGOs can play a role in improving Chinese companies' ESG in BRI partner countries.

绿驼铃 **Green Camel Bell** <http://www.gcbcn.org/en/>

Green Camel Bell was established in 2004 in northwestern China's Gansu Province, where desertification was a serious problem. Its main focus is still the ecosystems in western China but has in recent years started to work on climate and energy issues, including China's energy projects in BRI partner countries.

创绿研究院 **Greenovation Hub** (GHub) <https://www.ghub.org/en/>

GHub was founded in 2012 by a few former Greenpeace China campaigners with a focus on climate and marine protections. It has nowadays a strong team working on China's overseas investment, especially energy projects, and green finance.

### **International NGOs with operations in China**

Besides the above-mentioned Chinese grassroots NGOs, international groups with offices in China such as WWF, Greenpeace, Oxfam Hong Kong, Mercy Corps, Ford Foundation and Asia Foundation also have carried out work on BRI.

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