A BRIEFING ON THE BELT AND ROAD INITIATIVE

Friends of the Earth
Asia Pacific



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1
WHAT IS THE BELT ROAD INITIATIVE?

General Secretary of Chinese Communist Party and China's President Xi Jinping put forward the vision of the "New Silk Road Economic Belt" and "21st Century Maritime Silk Road" in 2013, initially as two specific regional initiatives, but by 2015 those were expanded and merged into "One Belt One Road"[1] , later called "Belt and Road" Initiative (BRI). The contemporary definition of the nature of the BRI was issued by the National Development and Reform Commission (NDRC):

> *Belt and Road Initiative* is an economic cooperation framework, the largest cooperation platform. The BRI is inclusive, but it is not exclusive. In the beginning, there were 64 participating countries, and BRI is designed with Asia, Europe and Africa as its focus, but all countries and regions are welcome. It is China's initiative and any country would propose an initiative for its own benefit. But China aims at win-win outcomes and shared prosperity.[2]

The initiative envisages the building of **six major economic cooperation corridors** and several key maritime pivot points across Eurasia mainly through, road, rail, port and energy infrastructure. On land, the plan is to build a new Eurasian land bridge and develop the economic corridors of: China-Mongolia-Russia; China-Central Asia-West Asia; the China-Indochina peninsula; China-Pakistan; and Bangladesh-China-India-Myanmar. On the seas, the initiative will focus on building major sea ports along in Asia, Europe and Africa to secure an efficient transport.[3] BRI is also expanding further to include Latin American projects.

According to the official "Vision" document, the BRI aims at "building common destiny of humankind" through pursuing the 'BRI Five Goals':

1. **Policy coordination**
2. **Transboundary facilities connectivity**
3. **Unimpeded trade**
4. **Financial integration**
5. **People-to-people bonds**

China's Ministry of Commerce reported that in 2018 there were 7721 BRI projects. Estimated BRI investment since 2013 widely ranges from US$ 460 billion[4] to 2 trillion, the later estimated by China Banking and Insurance Regulatory Commission.[5] Large in scale BRI is only a part of China's overall non-financial Overseas Direct Investment in 2018.[6] Yet, there is often not much differentiation between a BRI project and other Chinese Overseas Foreign Direct investment, many previously existing projects have just been rebranded as BRI. BRI is the overall strategy for much of China's investment overseas.

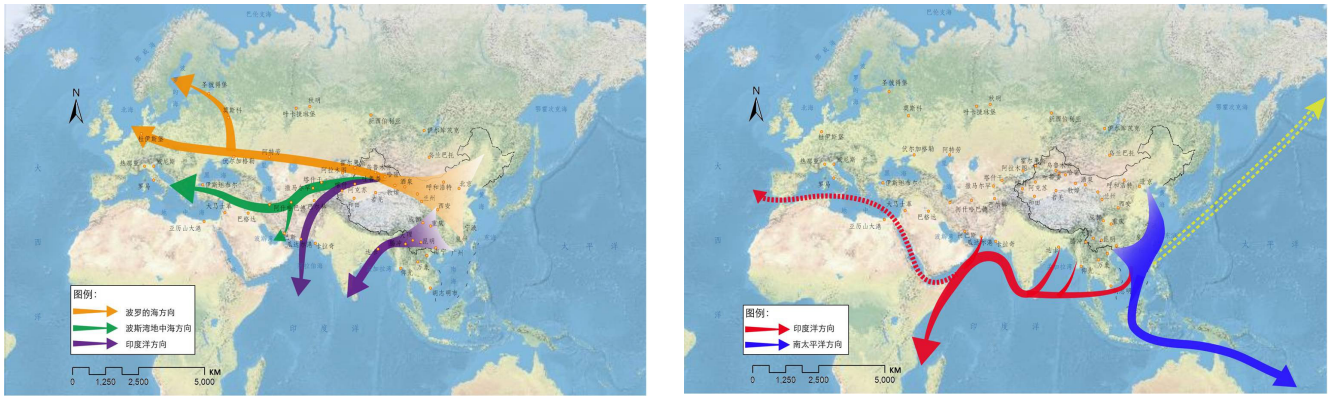


Figure 1 by NDRC depicts initial development vectors of "New Silk Road Economic Belt" (left) and "21st Century Maritime Silk Road"(right).

BRI AS A NEW VEHICLE FOR GLOBALIZATION

In the words of Chinese leadership, the BRI is "building community of common destiny" (i.e. globalization) but based on "socialism with distinct Chinese characteristics". So far this has meant financing for infrastructure, a different type of conditional funding (no conditions on economic policy but requirements to use Chinese state companies), less transparency and lack of "rules-based" procedures.[7] The Belt Road Initiative is a bold vision for spurring global development, but hardly suggests any new approaches not practiced in previous waves of globalization.

The BRI is a reflection of China's domestic and foreign interests as it ascends on the international stage to become a major global, political and economic power. It is an attempt to create new markets overseas for State Owned Enterprises facing overcapacity issues, to secure Western China, assert its geopolitical interests, and create the opportunity for China to deeply influence "international standards". It faces critics from both neo-liberal and progressive forces, some who view it as a new form of imperialism, as the "function of financial capital in generating profits attempts to find markets and investment opportunities abroad when its domestic economy is no longer able to generate comparable profits".[8] Yet China's expansion model has many notable differences from bilateral and multilateral "official development cooperation" (ODA) and the "business-like" expansion mode of trans-national corporations.

CONNECTIVITY INFRASTRUCTURE

BRI is most often described as an "infrastructure development scheme" focusing on energy and transport: roads, bridges, gas pipelines, electricity transmission, ports, railways, and power plants. It has substantial subset of infrastructure projects either supporting import resources needed by China (e.g. pipelines in Central Asia, Myanmar or Russia) or developing transportation arteries and hubs to support China's trade with other countries (e.g. ports in Sri-Lanka, Pakistan, Greece). The BRI infrastructure narrative builds upon the myth about "Asia's XXX-trillion infrastructure gap" initially developed and promoted by ADB and other MDBs without much consideration for sustainability.

As a part of "Belt and Road" China is promoting the "Global Energy Interconnection"[9] (GEI) — a transboundary supergrid, that enables deployment of large "clean energy" sources. GEI is largely being implemented and dominated by 2—3 Chinese corporations. From 2013 to February 2018, Chinese companies announced grid-related contracts overseas for more that US$ 120 billion.[10]

GEI Development and Cooperation Organization (GEIDCO) controlled by the State Grid Co. already has outlets/institutes on five continents and 300+ members in 80 countries; companies, including NGOs, companies and UN agencies.[11]

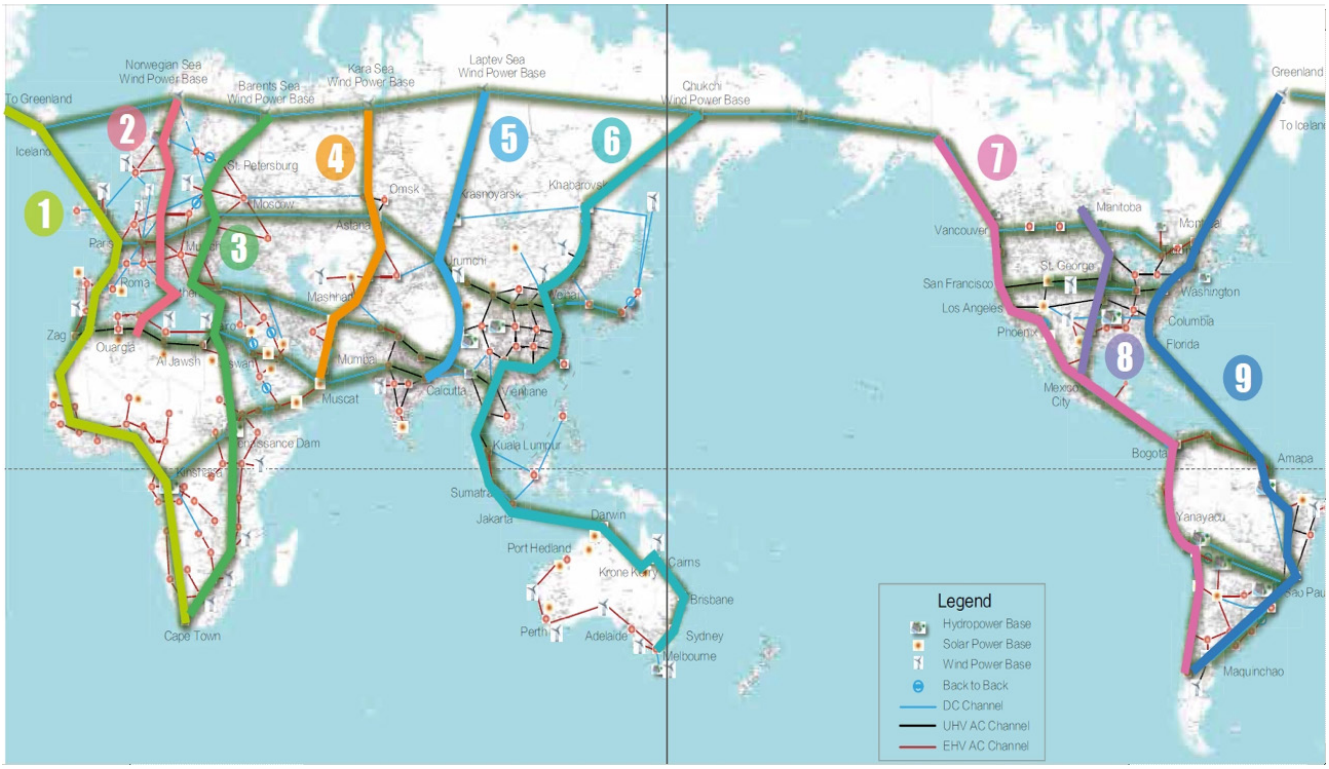


Figure 2 Map of GEI land and sea channels by 2070 (Source: Global Energy Interconnection Backbone Grid Research, GEIDCO 2018)

Now GEI is marketed as one of 25 key solutions for SDG's achievement. In October 2018, GEIDCO released pilot studies for Northeast Asia Supergrid and South East Asia Supergrid with high potential for destruction and non-impressive outcomes in GHG reduction. Analysis of the Northeast Asia Supergrid study revealed that State Grid Co. planned to use the GEI project to export energy from coal-fired plants like the giant 5.5 GW Shivee-Ovoo in Mongolia.[12]

The GEI is an important example of global standard setting by China (one of key BRI objectives). The GEI is a clear example of China's global strategy with a 50 year-long planning horizon. While some question the environmental sustainability of the GEI as a global solution, many CSOs promote transboundary grids as an important part of the 100% renewable energy system and an alternative to new generation, especially some coal and hydropower projects.

PEOPLE TO PEOPLE CONNECTION

The often forgotten "fifth pillar" of BRI " is the people-to-people" connections. China also has positioned itself as a premier destination for international students to complete their education. In 2017, 489,200 internationals students furthered their studies in China, marking dramatic increase over the last few years.[13] This is a testament to an increased awareness and interest in Chinese language, culture, and people. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), over 801,000 Chinese students pursued tertiary education abroad in 2016.

PREVALENCE OF STATE-OWNED ENTERPRISES IN KEY SECTORS

Prevalence of state-owned enterprises (SOEs) in most high-profile BRI undertakings, particularly in construction and energy, make the Belt Road Initiative somewhat different from development cooperation pursued by western countries and overseas investments from transnational corporations where "market forces" are unleashed. SOEs, as a rule, seek to work on mega-projects and are more long term in their project thinking. While China's finance companies participate in PPP arrangements, SOEs are usually controlled, partly owned and supported by the state, which is different from a "classic" Public Private Partnership that is meant to attract private business. Chinese SOEs are also accustomed to working on a government to government basis, meaning that when they invest overseas, there is often a lack of process in engaging with local communities and NGOs.

BRI HAS VERY LIMITED MULTILATERAL DECISION-MAKING MECHANISMS

There is no unified rules-based mechanism for multilateral decision-making, official consultation and implementation in BRI-wide context. It is the same process from approving Chinese OFDI or BRI investments.[14] Some BRI policies and programs are promoted through existing international organizations (Shanghai Cooperation Organization, UN programs, etc.) but no significant decisions are made there, while an ad-hoc "China-led" set-up could be designed for other pressing needs such as the Lancang-Mekong Cooperation Mechanism (LMCM).[15] Regional and global "forums" are held as consultative gatherings designed to demonstrate the significance of BRI undertaking. The absolute majority of BRI-related issues are resolved bilaterally between China and the host country, while planning is done by Chinese agencies and presented to country officials.

Domestically, the Chinese government has designated working groups to oversee, encourage, or guide the implementation of BRI across ministries and departments. For instance, the National Development and Reform Commission (NDRC) houses a special BRI research group. The Ministry of Ecological and Environmental Protection (MEEP) has also devoted staff and resources towards understanding environmental impacts.[16] Some agencies developed sector-specific "BRI strategies" and policy statements[17] (in standardization, in agriculture, in finance), while others did not (e.g. water management).

LACK OF FORMALIZED COMMUNICATION MECHANISMS AND ENVIRONMENTAL SOCIAL GOVERNANCE SAFEGUARDS (ESG)

While western-led Multilateral Development Banks and Oversea Development Aid agencies very often extensively communicate their intentions to the public and each other and often harmonize or even merge their development assistance projects in specific countries. China entities so far rarely do so. Environmental social governance safeguards are made public by all MDBs and most ODA agencies, but are unavailable for the majority of development assistance providers from China. Consultation with potentially affected local parties are normally held in most large projects supported by "western" aid agencies and banks according to requirements set by those institutions.

The BRI projects follow "country laws and regulations" and therefore whenever Environmental Safeguard Impact Assessments or consultations are waived there is little regulatory obligation of Chinese investor/project implementer to do otherwise. This differs from corporation to corporation, but a pro-active ESG approach is not common among Chinese actors. Furthermore the requirement for Chinese companies to "follow local laws" can be interpreted as regardless if the host country government is willing to enforce their own law.

The usual excuse for such lack of ESG requirements is China's "policy of non-interference", which markets Chinese investment as "no-strings attached" as opposed to "suppressive" western institutions imposing many economic, environmental and social obligations on recipients. This fundamental difference is well reflected in 2017 "Interim Regulations for overseas investment" which list six reasons for restricting investment projects abroad, including, sale of arms, gambling, luxury irrational investment, marketing outdated technology unfit to the conditions of the country and activities violating environmental requirements of the country. Judgment and subsequent action on the first four positions are prescribed to specific Chinese regulators, while monitoring and restriction of "outdated technology and activities violating environmental requirements" are not assigned to any Chinese agency, thus (presumably) leaving these two provisions without implementation. Investments with transboundary impacts are also considered "sensitive".[18]

2 WHY THE BELT ROAD INITIATIVE?

There are many hypotheses explaining the origins, motivations and driving forces of the BRI:

1. An open claim for becoming a global superpower reshaping the world order and direction of its future development (many critics frame it as "Another Marshall Plan");

2. Exporting industrial over capacity from China;

3. Trade-facilitation scheme improving China's role in principal markets and making the Yuan a global currency;

4. Spatial planning and infrastructure development efforts to boost the economy of poor western and north-eastern regions of China by raising their role in international cooperation and thus reducing inequality between provinces;

5. "Environmental" interpretation: like western countries in the past, Chinese society no longer can tolerate environmental destruction necessitates both pushing out "dirty technologies" and importing natural resources;

6. Important step in empowering China's current leadership in their attempt to solidify absolute authoritarian control domestically. Part of the "China Dream" and new Constitution. Revival of the Tang Dynasty Silk Road;

7. China's strategic response to the so-called "US pivot to Asia" and emerging Trans-Pacific Partnership, designed to carve China's sphere of influence in certain geographic areas, including military presence.

All these forces and motivations have likely influenced the development of the BRI, but the Initiative itself is a dynamic framework evolving according to the current needs and perceptions of China's leadership and emerging domestic and external challenges. There are currently over 100 countries counted as "participating" in the BRI and it should be viewed as China's foreign policy interface with the world in the sphere of "cooperation" and "development".

The political importance is extremely clear — the current leader of China made the BRI a centrepiece of the "China Dream" vision of nation-building and hastily inscribed it in all imaginable strategic documents from 5-year plans to party by-laws domestically, and from bilateral treaties to agreements with UN bodies internationally. A failure of the BRI, if it happens, would likely mean a major failure of the current regime.

INDUSTRIAL OVERCAPACITY AND INTERNATIONAL CAPACITY COOPERATION

International capacity cooperation ICC (国际产能合作 guoji channeng hezuo) was a 2014 addition to the "Go Global" policy. It is the result of seeking a way forward from the "new normal" of low industrial growth rates and is a novel solution to the industrial capacity utilization problems China has suffered since 2008–2009, when spending stimulus flooded into traditional industries. Steel, cement, aluminum, paper, glass, and everything from pork production to robots are still mired in cyclical overcapacity.[19] The International capacity cooperation is seen as a tool to relocate entire production lines that are part of the Chinese excess production problem.[20] The scope of Chinese policy is to relocate its industrial capacity abroad, and to modernize its industrial system. It is essentially a state-capital strategy designed to allow capital export and consumer goods imports.

The official formula for ICC policy culminated into concerted attempts to export "high-quality production capacity in 12 key sectors: steel, nonferrous metals, construction materials, railways, electricity, chemicals, textiles, automotive, information and communications technology, engineering machinery, and aerospace and marine engineering" where Chinese corporations have comparative advantage. This list is most commonly used, but not exhaustive. Thus the 13th 5-year plan prescribes a focused effort to export "environmental industries" (wastewater treatment, etc).

Provincial governments are the principle state actors in the international capacity cooperation policy. For example, Jiangsu was paired directly with the China Development Bank and matched with Indonesia. Meanwhile, Gansu has been instructed to draw funds from the China-Africa Development Fund and to pair with Iran, Zimbabwe, Ghana and Thailand to offshore production chains in mineral resources, textiles, non-ferrous metals, traditional energy, and photovoltaic energy.

The most well-known example of "export of excess capacity" is a huge number of Chinese-built coal power plants and hydro plants, mostly in Asia. China committed or offered funding for 102 gigawatts (GW) of coal plants (one-quarter of the 399GW currently under development in the world outside China), including investment in export coal mines, coal-fired power plants, and the associated rail and port infrastructure. Bangladesh has the most proposed coal-fired capacity and funding from China, totalling over US$7 billion for 14GW of capacity, followed by Vietnam, South Africa, Pakistan and Indonesia.[21] During the last decade, there has been a strong correlation between

increased Chinese hydropower installations oversea and declining hydropower installations domestically in China. According to other datasets in 2017, China was responsible for global increase.[22] Infrastructure projects create great opportunities for other sectors with excess capacity. For example, the Ministry of Industry and Information Technology has identified 20,000 km of new railroads to be constructed under the BRI, potentially creating export demand for 85 million tons of Chinese produced steel.

China has just finished a period of intensive infrastructure development, which changed the look of the country and many other national governments wished to replicate this seeming success despite critics suggesting it lacked economic, environmental and social sustainability.[23] Capacity cooperation is one of the most important specific subset of BRI projects, with special statistics dedicated to it on the MOFCOM website,[24] which emphasizes share of "cooperation in equipment manufacturing" in overall FDI.

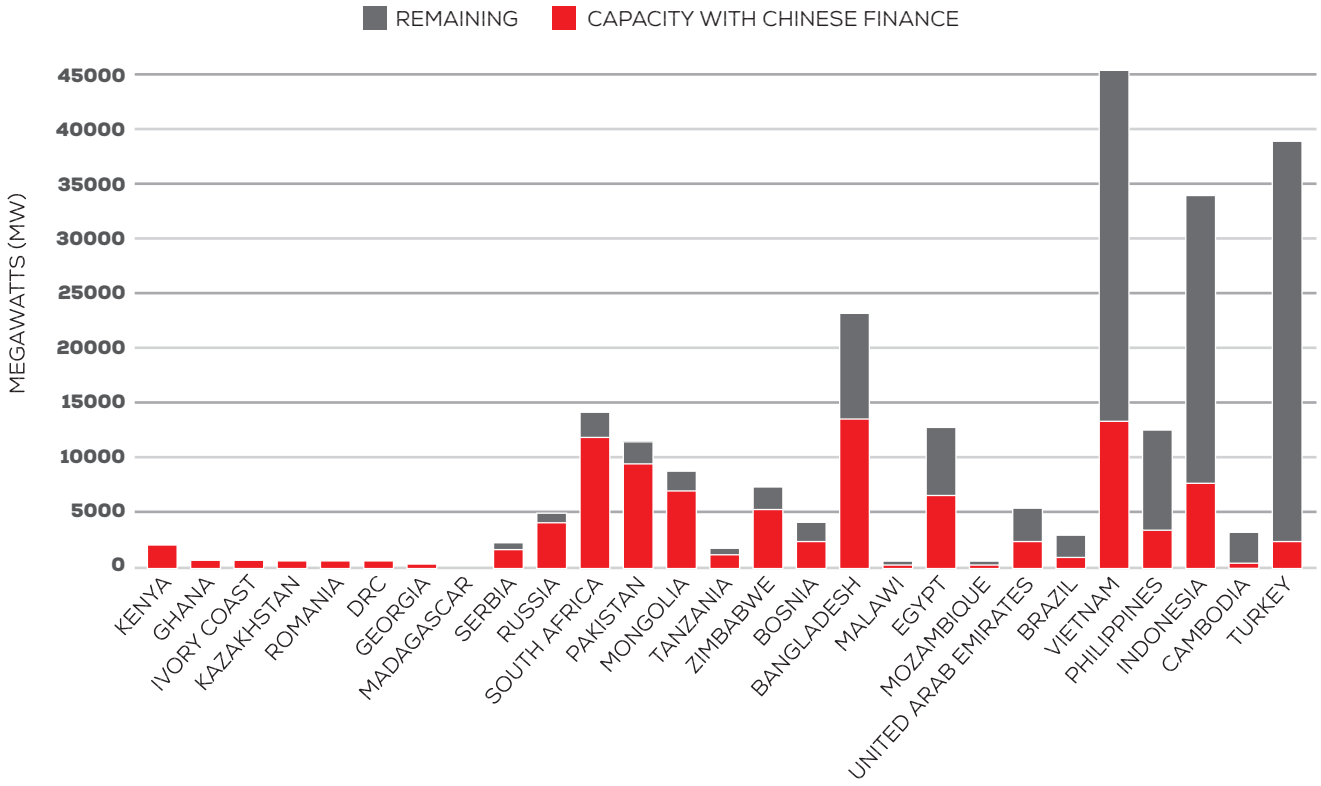


Figure 3 Proposed and Committed Chinese Finance for Coal Plants by Country. Source: IEEFA 2019

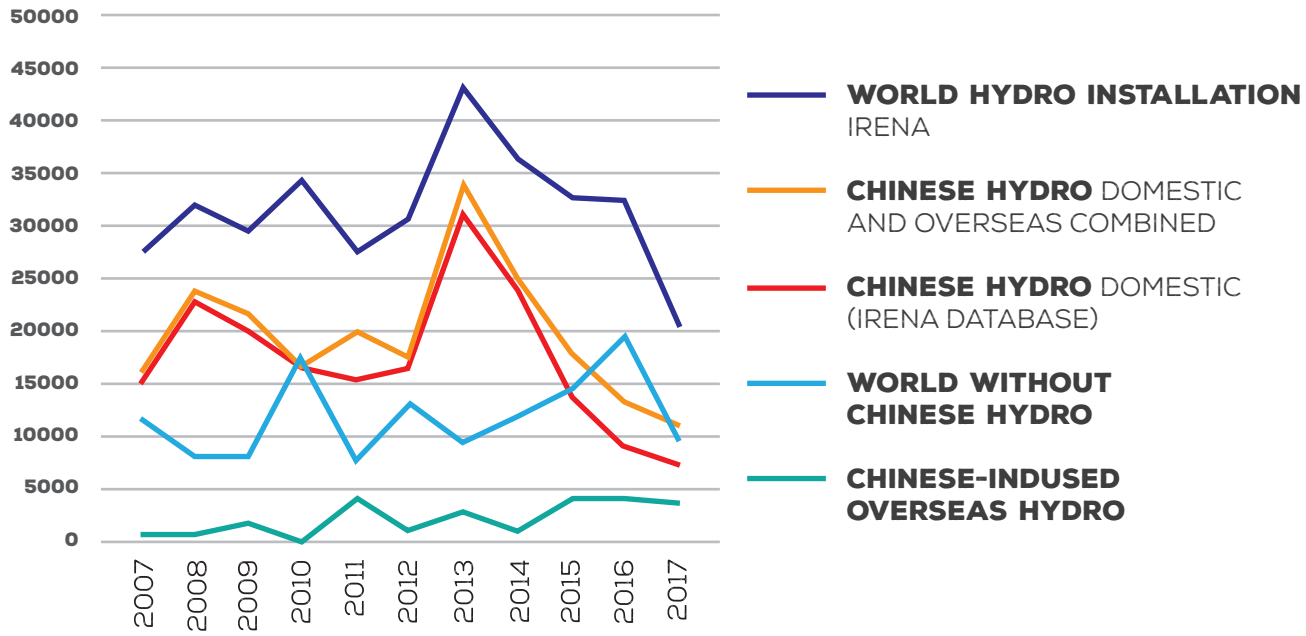


Figure 4 Annual hydropower installtion (MW). For the latest data see www.transrivers.org/2019/2597

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WHO
IS FUNDING, IMPLEMENTING AND CAMPAIGNING ON THE BELT ROAD INITIATIVE?

Estimated BRI investment since 2013 widely range from 460 billion[25] to 2 trillion US$ as estimated by China Banking and Insurance Regulatory Commission.[26]

China's banking sector consists of policy banks, state owned commercial banks, joint-stock commercial banks, city commercial banks, rural cooperation banks, rural credit cooperatives, and foreign banks branches. China's three policy banks, the Agricultural Development Bank of China, China Development Bank, and China Export-Import Bank are responsible for executing state policies domestically and overseas.[27]

There are several funds that have been (or are being) established specifically to support the BRI, like the Silk Road Fund. Every country signing the "BRI MOU" is expected to be honoured with specific earmarked BRI finance instrument. A list of BRI-funders compiled in 2015 included 12 specific financial tools established in recent years with an announced size over 260 billion US$ and 8 more major funds and banks active in BRI with over 800 billion US$ in funds. However, the majority of loans comes from two "policy banks" of China: China Development Bank and China Export-Import Bank. Increasingly, Chinese officials insist that China is not going to be the sole investor in the BRI, but multiple parties have to put money together. It is already happening in the case of the Asian Infrastructure Investment Bank (AIIB)and Silk Road Fund.

The AIIB, created in 2015, has become the most frequently discussed finance tool in the context of implementing the *Belt and Road Initiative* (BRI). Ninety-three countries are members of the bank, but almost one third of the initial capital of $100 billion was pledged by China. This bank's web-site specifically presents it as a motor, driving the construction of "sustainable" infrastructure in Eurasia, with stated preference to cross-border and PPP projects. The AIIB founders also include more than a dozen European countries (such as France, Germany, the UK, and Italy), which, as many observers naively hope, politically cannot afford to lower the bar of the environmental and social requirements compared to the existing international financial institutions. It was expected pressure from those members and civil society, the AIIB will be forced to adopt high standards in comparison to those developed by the World Bank and other Bretton-Woods institutions. Dozens of existing International Finance Organizations (IFIs) have already signed co-financing agreements with the AIIB and New Development Bank (BRICS-NDB).

That said we must note that above 97% of Chinese overseas investment along the BRI economic corridors will be channelled not through the AIIB but through other finance institutions, such as policy banks and specialized funds. In this respect, the attention on AIIB as the "focus" of the BRI is misleading, as Hameiri and Jones argued recently.[28]

CHINA EXIM BANK

China Exim Bank, the only policy bank providing concessional funding overseas, supported the export of mechanical and electronic equipment, high-tech products, overseas contracting projects and investment worth US$ $391.2 billion. The 2015 year-end balances of overseas investment loans and international cooperation loans were US$ $30.5 billion and US$ $84.5 billion respectively. China Exim Bank is also the major sponsor of several funds important for BRI implementation, including China-ASEAN Investment Cooperation Fund and China-Central and Eastern Europe Investment Cooperation Fund, etc.

CHINA DEVELOPMENT BANK (CDB)

In 2019, China Development Bank's total assets had reached about 2.4 trillion U.S. dollars. The balance of CDB's foreign exchange loans increased from US$ 16.2 billion to US$ 267 billion from 2005 to 2015. Since 2009, CDB has maintained the highest balance of foreign exchange loans among all Chinese banks. It mainly supports overseas projects in the areas of energy, mining, infrastructure, equipment manufacturing and agricultural processing. Apart from its credit businesses, CDB also provides overseas projects with common equity investment products and structured other investment products via multiple platforms such as its subsidiary CDB Capital, China-Africa Development Fund, China and Portuguese-speaking Countries Cooperation and Development Fund, China-Russia Investment Fund and Pakistan-China Joint Investment Company.

The main weaknesses of the CDB and the China Exim Bank according to the 2017 study by Global Environmental Institute include:

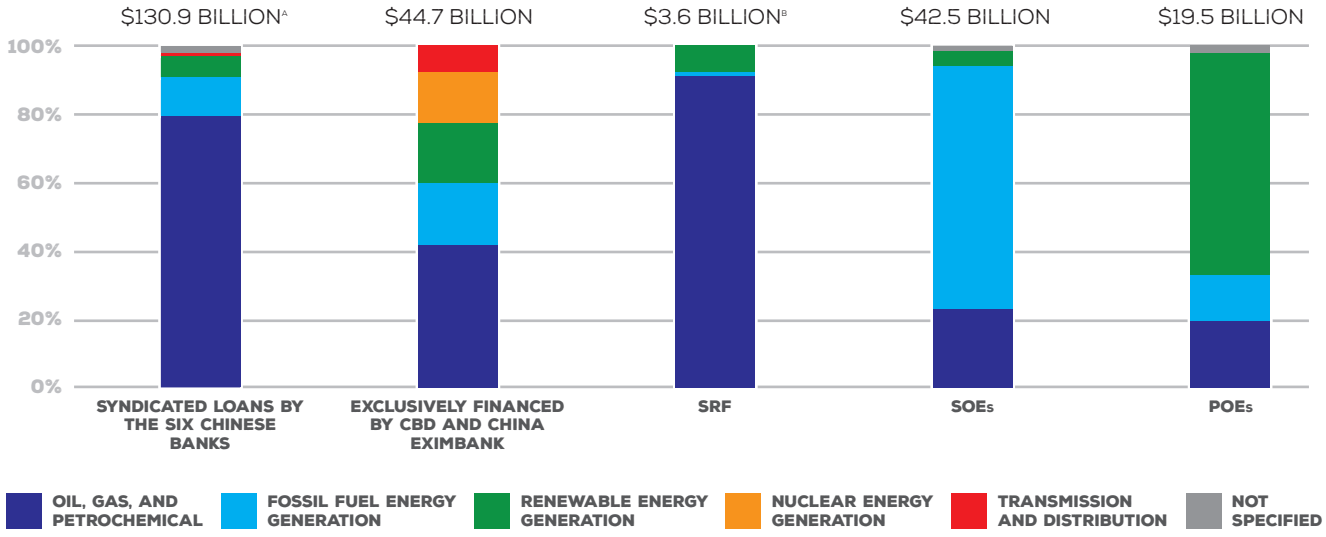
- no environmental and social department has been established;
- environmental and social standards are not strict enough and there is little to no transparency on how they are implemented;
- there is no independent or limited transparency on field visits in project management and supervision phases.

WORLD BANK GROUP, ADB AND OTHER BRETTON-WOODS IFIS

The World Bank actively supports BRI as a "means to close (the) infrastructure investment gap in Asia".[29] For example, as in Mongolia's WB Draft Country Partnership Framework (2019), it says: "the WBG is ready to provide advice to the Mongolian government on potential infrastructure investments in the context of the *Belt and Road Initiative* and other regional initiatives to help ensure that the development impact of such investments is maximized and financial, social and environmental risks are mitigated".[30] In 2018, WB published a series of reports which proved important advantages of BRI in increasing connectivity and decreasing costs of trade based on highly sophisticated modelling.[31]

GREEN OR DIRTY FINANCE?

Boston University and WRI recently explored the role of policy banks and other actors in BRI energy investments in 2014-2017.[32] The study concludes that fossil fuels made up 91% energy-sector syndicated loans by six major Chinese state banks. Furthermore, fossil fuel made up 93% of energy-sector investments by the Silk road Fund (SRF) and 95%of cross-border energy investments by Chinese SOEs.



Notes [A] Syndicated loans by the six Chinese banks are total loan amounts of projects in which the six Chinese banks participated. The actual loan contributions by individual banks were not available for many of the transactions. The six Chinese banks are China Development Bank, Export-Import Bank of China, Agricultural Bank of China, Bank of China, China Cinstruction Bank, and Industrial and Commercial Bank of China.
[B] SRF includes four project investments that disclose investment amounts.

Renewable energy funded by policy banks were largely represented by large hydro. In contrast, nearly two-thirds of cross-border energy-sector investments by Chinese privately owned enterprises (POEs) were in renewable energy (primarily solar and wind). The ratio between private and state finance in BRI projects vary greatly from sector to sector, with capital intensive sectors (e.g. transport, energy) more dominated by state than agriculture or retail. But still, most of BRI finance comes from institutions owned and directly guided by the government of China.

Yet, China is seeking to become a global champion of green finance. In 2012, China Banking Regulatory Commission (CBRC) launched the Green Credit Guidelines, stipulating that banks should effectively identify and control the environmental and social risks in credit business, improve relevant credit policies and workflow management, and ensure that credit will be granted to those who will comply with environmental and other relevant regulations of the host country, and follow relevant international practices or standards.[33] In August 2016, the People's Bank of China, along with the Ministry of Finance and five other ministries, issued the Guidelines for Establishing the Green Financial System, suggesting banking and financial institutions develop green credit and strengthen environmental risk management of the projects under the BRI and other investment frameworks and promote green foreign investment.[34]

Chinese banks are now beginning to issue BRI-focused green bonds. In September 2017, the Industrial and Commercial Bank of China (ICBC) issued its first One Belt One Road Green Climate Bonds. Issued in US$ and EUR, the bonds raised US$2.15 billion that is earmarked for financing a range of green projects – from renewable energy, to low-carbon and low-emissions transportation, to energy efficiency and sustainable water management and more.[35] According to the credit-rating company Moody's, China led green bond issuance in 2017 with US$17.2 billion. It was closely followed by France with US$17.1 billion and the United States with US$11.7 billion.

Ma Jun, the most ardent promoter of Chinese green finance, recently argued for a sharp increase of green loans in the banking system because, in 2017, the non-performing loan ratio for green loans was only 0.4 per cent versus 1.7 per cent for the non-performing loan ratio for the average loan portfolio of the 21 largest Chinese banks.[36]

China remains the largest source of development finance for many countries of Asia, and many essential pieces of infrastructure, industry and agriculture systems projects would not be created unless Chinese state owned companies launched them using state bank loans.

WHO IS IMPLEMENTING BRI PROJECTS?

Chinese companies, especially State Owned Enterprises play a leading role in over 2000 BRI projects. Projects that utilize China's state loans are not subject to open bidding and the lack of competition often leads to unduly increased costs and diminished quality of products and services provided by Chinese contractors. This concern led to Malaysia's suspension in 2018 of the US$20 billion East Coast Rail Link — one of the biggest projects in the entire BRI.[37]

Chinese financing executed through the CDB, China Exim Bank and other state banks and funds normally carry conditions such as the requirement that Chinese firms must be involved in carrying out a certain proportion of contractual works, such as engineering for high-speed rail projects or the building of bridges, or pipelines or hydroelectric dams.[38]

A rather important peculiarity of BRI is that it is also an attempt by China to nurture its own multinational corporations. Dissimilar from most western "neo-liberal" corporations, most of those are explicitly owned by the PRC Government, the largest of which is supervised and evaluated by State-owned Assets Supervision and Administration Commission of the State Council (SASAC).[39]

Access to state-backed capital gives China's central SOEs the ability to build ties with other countries over long time periods, including projects that other actors might find unprofitable. This allows them to shape the perceptions and incentives of local decision makers, who use reliable Chinese's SOEs to deliver key promised public projects on time. With time, Chinese SOEs are getting less dependent on Chinese state bank loans. Nowadays they actively participate in bidding for projects announced by MDBs and national governments and regularly win, since they have greater flexibility and backing than many privately-owned competitors from other countries. More often, SOEs are looking to move up the value chain and take on the role of developer and direct investor, in order to have greater influence in overseas project initiation and design.[40]

LOCAL OWNERSHIP

Although BRI is China-driven, how it is implemented and monitored is largely defined by the quality of local institutions handling this cooperation. In the case of the BRI, China is entrusting investment funds to projects that are under the ultimate control of national governments that have their own agendas as well as seeking to work on positive terms with China.

According to state-run Xinhua Agency[41] , by January 2019, China had signed 123 cooperation documents on the Belt and Road development with 105 countries in Asia, Africa, Europe, Latin America, and the South Pacific region, and 26 such documents with 29 international organizations.[42] It is up to China to interpret how any document on economic cooperation signifies that a country "joined the BRI". More details of the cooperation agreement for all FoE member group countries can be found here: **Bangladesh,**[43] **Japan,**[44] **Indonesia,**[45] , **Malaysia**,[46] **Nepal**,[47] **Papua New Guinea**,[48] **Philippines**,[49] **Russia**,[50] **South Korea**,[51] **Sri Lanka**,[52] **Timor Leste**[53] and **Victoria** (Australia).

Depending on China's plans regarding a given country, their own weight, diversity of economic cooperation choices, history of relations with China and other neighbors and negotiation skills, governments of different countries have very different degrees of say in shaping the agenda of their cooperation with China. In countries which have democratic elections, their negotiation power may change

rapidly following the fall of previous leadership which allegedly granted too big concessions to China. In countries with more authoritarian regimes (e.g. Kazakhstan) or those which have too little other cooperation options (e.g. Mongolia, Myanmar) bargaining power seems to decrease with time as a greater chunk of national economy becomes dependent solely on Chinese investments or markets.

CORPORATE REACTION TO THE BRI

The first wave of reaction from various business groups was extremely positive, describing BRI as huge opportunity to make money. Multiple partnerships have been established between international financial groups (e.g. HSBC, City of London) and various Chinese business associations and financial institutions.[54] There were also observations and complaints that western corporations get a much smaller share of the BRI cake than they deserve, due to lack of open tendering of BRI projects and conditions of hiring Chinese contractors as a rule.

INTERGOVERNMENTAL BODIES

The UN system largely embraced BRI as a leap towards SDG implementation. China has heavily invested in many UN agencies to assist them to start programs and projects promoting certain aspects of BRI (e.g. UN Environment has a contract to establish "Green BRI Union"[55]). Many Chinese corporations, both public and private, developed "cooperative projects" or regularly hold "joint events" with UN agencies to advance their specific BRI-related goals.[56]

WHO IS ALREADY INVOLVED IN BRI MONITORING AND ADVOCACY?

CSOs in many regions are monitoring the social and environmental consequences of the *Belt and Road Initiative* and are developing adequate early response strategies to major changes in the development patterns on the Eurasian continent. Many other NGOs in Asian countries are involved in dealing with BRI-related projects at local level. Sometimes they form coalitions.

In early 2015, **Friends of the Earth US** organized an extremely informative meeting in Bangkok on China's overseas investment and CSOs opportunities to engage with it. **China Global Infoshare** listserv was launched and has served the NGO community until now. FoE US is also a lead orgainzation and knowledge source for issues relating to Chinese finance.

Friends of the Earth Sri Lanka have challenged the Hambantota Port project in court which has led to significant environmental and social impacts, such as the destruction of the Karagan Levava Lagoon, increased debt and forced relocation.

Friends of the Earth Bangladesh is resisting coal fired power across the country and Chinese investment has been cited in at least 16 of the 49 coal power projects that have been planned, while it is difficult to determine what comes under the BRI.

The Jakarta-Bandung High Speed Rail Project which has been labelled a landmark in the implementation of the One Belt One Road Initiative, has **Friends of the Earth Indonesia** resisting it stating that the project "will cause environmental and social problems for the people of Indonesia, and will in turn cause Indonesians to question the 'win-win' relationship the Chinese government so often seeks to cultivate in foreign countries"

Friends of the Earth South Africa/Groundwork campaigns for stopping coal mining, and this includes a campaign against projects that are funded by international financiers from China and are part of the BRI framework. In July 2019, President Xi committed that China would invest US$14.7 billion in the South African economy. This included a major investment in a metallurgical coal power plant and the development of Special Economic Zones and an Industrial Park.[57]

In July 2016, the **NGO Forum on ADB** organized a meeting on the "OBOR Energy and Infrastructure Nexus". Most NGO meetings so far have been focusing primarily on strategies to hold Chinese investors accountable.

Inclusive Development International (IDI), especially its Southeast Asia Program has extensive expertise on China's overseas investment and related green policies.

International Coalition for Green Development on the Belt is supported by the UN environment program and direct government to government cooperation

Greenovation Hub (Beijing) is probably the most consistent initiator of dialogues with various Chinese agencies on Green BRI Development. It also coordinates a coalition for Green BRI Development consisting of Chinese and international NGOs.

Global Environmental Institute (Beijing) has the long history of assisting Chinese agencies and companies in identifying and implementing best practices in overseas projects and is closely linked with the Chinese government.

Business and Human Rights branch in HK routinely communicated with many key Chinese companies on cases of alleged human rights violations in BRI context.

WWF Myanmar Programme developed several pioneering reports on the analysis of potential impacts from planned BRI economic corridor. WWF Amur (Russia) also conducted similar work.

CEE Bankwatch Network monitors Chinese investments Central Asia and Eastern Europe.

Global Witness has been heavily involved in initiating the development of best practice guidelines on mining and rubber plantations overseas with several Chinese industry associations.

Green Silk Road Initiative (GSRI)
In early 2016, a group of Russian-speaking environmental CSO leaders developed a common civil society platform called the Green Silk Road Initiative to assist the greening of development policies and practices in the New Silk Road countries. The Green Silk Road Initiative Declaration states:

> “We aim to build on our expertise and large network of allies to put pressure on government representatives and bank employees to establish strong safeguards at Silk Road financial institutions, similar to what we have achieved at Western government banks, as well as ensure that project financing for clean energy projects trumps fossil fuel investments.[58]

GSRI is communicating actively with NGOs in China and has established links with networks including European Ecoforum, World Wide Fund for Nature (WWF), NGO Forum on ADB, Bank Information Center, International Union for Conversation of Nature (IUCN) (on World Heritage), Greenpeace International, Rivers Without Boundaries, CEE Bankwatch and Oxfam.

International Civil Society
Large International NGOs (WWF, TNC, Greenpeace, Oxfam, etc), especially those which have established branches in mainland China, largely promote “greening the BRI” — seeking to develop and enforce regulations and mechanisms comparable to “best international practices”. They also emphasize that BRI has the potential to promote green infrastructure and the development of green finance.[59] Most of the big NGOS focus on driving sectoral policies while national NGOs are directed at project-level investments within BRI, at specific companies or sectors in a given region/country.

Conservation science communities throughout Asia are deeply concerned with impacts from BRI infrastructure and energy projects.[60] Freshwater biodiversity and tropical forests seem to be two ecosystems most threatened by BRI investments. Scientists cite dozens of cases of BRI projects directly threatening and destroying most endangered biodiversity in lands previously managed by local communities (e.g. new dams planned on Mekong in Cambodia and Lao, roads and power plants in North Sumatra destroying the rarest of all great apes – Tapanuli Orangutan, transportation corridors in Russian Far East threatening tigers and leopards, etc).

The carbon footprint of BRI is another concern widely voiced by many international NGOs and environmental movements.[61] Most facets of BRI apparently favour carbon-intensive development. This debate paradoxically co-exists with attempts to present China as the “new climate leader” and praise from many actors to its GEI initiative. Climate themes are also the focus of the majority of Chinese NGOs working on BRI issues.

National Governments
National governments are the key partner in BRI projects. The absolute majority of country governments in the region see BRI as an important trade and investment opportunity and are concerned mainly with ways to negotiate better deals, especially now as a trade war with US makes China more vulnerable. The only country in mainland Asia that refuted BRI was India, but China unabashed continues to build “China-Myanmar-Bangladesh-India Economic Corridor” with other two participants.

For elites in many countries, the BRI investments became a major platform for large construction projects, many of them outdated (e.g. designed in Soviet times), some purely politically driven (e.g. “Altay Gas Pipeline” to divert towards China gas supplies previously directed from Russia to the EU) and most of them likely to cause disproportionally high environmental degradation.

4
HOW TO ADDRESS THE BELT ROAD INITIATIVE?

OPPORTUNITIES

The Chinese government has a genuine desire to build a "green BRI", yet the vision of 'green development' is often different from that of impacted communities or Friends of the Earth International. As China strives to become the world leader in innovative green development, it often fails due to the lack of demand for such "green development" in ruling elites of many recipient countries and technical view of development.

> In 2017 at the 19th Congress, the Chinese Communist Party recognized "ecological civilization" as one of the key development objectives for the country. "Xi's Thought", adopted by the Congress, is meant to guide China's global rise in the new era and includes 14 principles, one of which is "Ensuring harmony between humankind and nature". The environment chapter is called, "Speeding up reform of the system for developing an ecological civilization and building a beautiful China" and starts with a promising statement: "Man and nature form a community of life; we, as human beings, must respect nature, follow its ways, and protect it. Only by observing the laws of nature can mankind avoid costly blunders in its exploitation. Any harm we inflict on nature will eventually return to haunt us. This is a reality we have to face."[62]

- Potential greater opportunity to influence comprehensive planning and rational development choices of all players involved at region-wide level, because BRI is being promoted as an integration effort with a comprehensive vision. At the moment, there is no sign that China or other countries are ready to lead inclusive and genuine BRI-wide planning efforts in sustainable development. But civil society and national governments may reinforce its arguments and suggest its own vision at the same grand geographic scale.

- Potential access to readily available new green technologies, green finance mechanisms, and ecosystem-based spatial planning methodologies presently being developed and/or reproduced in China as part of "ecological civilization building".

- Aspiration of Chinese leadership to equip the BRI with advanced environmental safeguards and comprehensive conservation efforts. In 2017, China's State Council came up with an overarching policy framework for upholding environmental performance in all aspects of the *Belt and Road Initiative* known as "Guidance on Promoting Green BRI".[63] To date, it is the most comprehensive list of pledges to bring sustainability and environmental management into the BRI. This document reflects the self-imposed obligations taken on by the Chinese Government, where the Ministry of Environment issued a plan of environmental cooperation with BRI countries.[64]

CHALLENGES

The BRI as it unfolds now has potential for replacing relatively sustainable traditional lifestyles with mass-consumption and mass-migration to slums near urban centers, in an attempt to replicate the industrial revolution that has just happened in China at such high cost for the environment and traditional values. As UNESCAP Executive Secretary Shamshad Akhtar said at a special *Belt and Road Initiative* side event of the 72nd Commission Session of ESCAP in Bangkok:

> “Corridors and cities (built on the New Silk Road) must not be locked into unsustainable infrastructure and urbanization patterns. Development driven by natural resource extraction, with minimal social and environment concerns, is intrinsically unsustainable.

- INCREASED IMPACT FROM MEGAPROJECT
  The massive wave of investment into large-scale infrastructure, energy production, resource extraction and processing/manufacturing industries will inevitably have profound impacts on natural ecosystems, animal migration route and patterns of trade in resources.

- INSUFFICIENT HUMAN RIGHTS POLICIES
  of multiple financiers and contractors, weak environmental safeguards for overseas investment projects and little transparency in project planning and analysis of alternatives increases the likelihood for selection of unsustainable, outdated projects which lead to destruction of local resource bases.

- LACK OF STRATEGIC ENVIRONMENTAL PLANNING
  The major land “corridors” were planned without overall environmental and social framework ensuring sustainability. Without early planning and clear safeguards, the likelihood of massive destruction of biodiversity increases.

- WEAK LOCAL SAFEGUARDS
  In many Asian countries’ environmental protection laws, policies, institutions and enforcement practices are relatively weak and have been notably weakened during the last decade. If a massive new wave of international investments coming from China does not adhere to similar or better environmental and social standards and green development objectives, then many countries with significant biodiversity will be locked in “dirty”, unsustainable development and may soon lose much of their natural assets.

- LOWERING STANDARDS
  The worst case scenario is “race to the bottom” when new investments from China not only would have direct negative effects on biodiversity and local communities, but may also trigger lowering standards of other IFIs investors due to competition for bankable projects. China, in becoming the leading source and implementer of development finance projects, also has inspirations of setting or shaping international standards.

- POOR COMMUNICATION
  There is a lack of communication/dialogue mechanisms between Chinese actors involved in BRI and various stakeholders from host countries. As a result, policies, programs and project design cannot be improved through feedback from local audiences until the very last moment when projects often face sharp public criticism and popular resistance.

- OBSTACLES TO PUBLIC PARTICIPATION
  A lack of consultation within investors’ culture in most countries cannot be fully compensated by stringent implementation of public participation regulations by state agencies and often even gaps in formal regulations. In many Asian countries, the civil society itself is becoming increasingly suppressed and isolated by authorities and will not be able to insist on the implementation of participation procedures without support from other stakeholders.

- DEBT TRAP
  Chinese loans allegedly put many countries at risk of financial default and subsequently, China takes important assets as repayment of its loans, this was the case with ports in Sri Lanka, goldmines in Tajikistan. Chinese state-owned financial institutions still keep collateral for their loans, important assets in borrowing countries or get loan payments in the form of natural resources. However, as a recent WB study on Mongolia demonstrates,[65] countries with poor public investment management are likely to default on their debts borrowed from international sources. In the case of China as lender, this is truly complicated by a) the sheer size of overseas lending by Chinese state-owned banks and funds, b) relatively immature risk management system, c) prevalence of non-concessional lending overseas making such loans profit-oriented rather than sustainable development-oriented, and d) very tough negotiation strategy of Chinese entities often imposed on both the partner’s project choices and loan conditions.

CHALLENGES TO BRI FROM LOCAL CSOS TO GOVERNMENTS

There are local communities in many Asian countries that actively resist various BRI developments and that sometimes go far beyond opposing a single project. For national elites and Chinese actors, this is often dismissed as "Sinophobia". In many Asian countries, negative expectations regarding BRI are based not only on its current performance but also on historic memories about dealing with China.

A significant wave of public criticism on how national authorities handle cooperations with China (especially in land tenure) was evident in Russia, Kyrgyz Republic, Kazakhstan, Vietnam, Sri Lanka and many other Silk Road countries in 2015-2018. Petitions and rallies in Kyrgyz Republic, Russia, Kazakhstan and other countries were focused on foreign ownership, the lease of land for agriculture and industrial projects.

In Russia, from early 2018-onwards, there was a shared popular sentiment against the export of forest products to China that started getting backing from various political figures, including acting officials of Putin's government. This was due to unsustainable logging, with 25% of production being exported to China where many regions of Russia experience rapid deforestation and shortage of wood. Most of the exported wood is processed by old primitive Chinese sawing equipment that was relocated to Russia after the logging ban in Northeast China. In Buryatia and Zabaikalsky provinces, local communities supported by local self-government questioned the legitimacy of large "forest industry priority projects" and insisted on excluding their traditionally used forests from exploitation.[66]

In Myanmar, a country which agreed to building one of the BRI economic corridors, resistance is complicated as parts of the country are controlled by armed indigenous groups not directly subordinate to Myanmar's central government, with some of them cooperating on their own with Chinese companies. Chinese companies supported by diplomats are actively trying to play the interests of different groups against each other in an effort to launch large resource-extraction and infrastructure projects. Presently, the greatest pressure is to restart the construction of the giant Myitsone Dam at a site of tremendous biodiversity and deep cultural value for the Kachin minority.[67] The project was frozen by the late junta-led government due to wide popular discontent.

The US, Australian, Indian and a number of European governments are actively hostile to the *Belt and Road Initiative*.

THE BELT ROAD INITIATIVE AND FOEI'S PROGRAMS

ECONOMIC JUSTICE- RESISTING NEOLIBERALISM

In just a few years, the neoliberal world order has been challenged by its own contradictions and nationalistic governments. The BRI is the most potent attempt of a single nation to challenge and reform the global order to make room for its own state-driven corporate powers. There is notably less space for peaceful resistance by peoples' movements and NGOs in this new model. The BRI and growing Chinese investment has some neo-liberal elements, but as a political and economic framework it is substantially different. FoEI may need to re-evaluate its current focus on defeating only the neoliberal order and the conceptual framework and analysis considering this new political context.

CLIMATE JUSTICE AND ENERGY

The Belt Road Initiative is intended to export several energy related technologies, most notably, large hydropower, electricity transmission and coal technology. China committed or offered funding for 102GW of coal-fired plant and further in investment in export coal mines and the associated rail and port infrastructure. Bangladesh has the most proposed coal-fired capacity and funding from China, totaling over US$7 billion for 14GW of capacity, followed by Vietnam, South Africa, Pakistan and Indonesia.[68] This would likely be a good focus for the programs work.

FOOD SOVEREIGNTY

The BRI Agricultural Cooperation Strategy encourages expansion of large Chinese agribusiness to Asian countries.[69] China also imports significant amounts of food products and therefore supports large scale national agribusiness development in other countries. These trends and policy objectives work against FoEI's vision of Food Sovereignty and agroecology. The development of e-commerce networks on which local producers can directly sell their surplus to consumers through various electronic trade platforms may present some opportunities as it is in Western China, where it is being used to increase the value of organic products produced by peasants of minority groups.

FORESTS AND BIODIVERSITY

The BRI will likely have large impacts on forests and biodiversity through the funding of a number of mega projects.

FINANCIALIZATION OF NATURE

Financialization of nature so far does not seem to be directly relevant to BRI discourse and the impact on community forest management will vary. Under the BRI there are attempts to export advanced reforestation and agroforestry techniques that could receive some "carbon credits".[70] Domestically, as part of an ecological civilization policy, China is practicing assessments of ecosystem services and assigning payments and compensations to sustain natural ecosystems. In the forests of Northeast China, development of that model was merged with community forest management, where certain local foresters were entrusted to use non-timber forest products in forest plots they were responsible for. However, in general, to protect "natural ecosystems", Chinese government prefers to resettle people or discourage their traditional use, especially by nomadic communities. The CBD COP 2020 will happen in China, the BRI and "ecological civilization" achievements in biodiversity will be the focus.

HOW SHOULD FOE ASIA PACIFIC AND MEMBER GROUPS RESPOND TO THE BRI?

1 PUBLIC CAMPAIGNING TO DEMONSTRATE HOW CERTAIN PROJECTS UNDERMINE CHINA'S "ECOLOGICALLY CIVILIZATION" AND GREEN BELT AND ROAD

Developing explicit synergetic link between "Ecological Civilization" and the BRI Strategy with focus on the shift to green development is the declared intention of China's leadership. FoE member groups should make the link between harmful national projects and the Green Belt Road. This could involve a wide range of advocacy tactics, for example social media and video campaigns in Chinese and other languages with the question: Is this ecological civilisation? FoE member groups recently held protests at Bank of China Banks all around the world to protest the impacts of a hydro project in the Batang Toru rainforest.

2 DEVELOP FoE ASIA PACIFIC NO COAL IN A GREEN BELT ROAD CAMPAIGN

This would include extending FoE Asia Pacific's previous and successful campaign to stop/limit coal financing from the ADB and AIIB to a No coal on the New Silk Road campaign. Chinese investors and regulators must become increasingly aware of various risks associated with overseas projects and should take various measures to avoid them.

3 COLLECT, HIGHLIGHT AND IDENTIFY THE DANGERS OF THE DEBT TRAP IN ASSOCIATED WITH BRI PROJECTS THROUGH CASE STUDIES, RESEARCH AND ADVOCACY WITH GOVERNMENTS

In Malaysia, the new prime minister, Mahathir Mohamad, described BRI as "new colonialism" because it had led to the accumulation of liabilities on receiving countries' balance sheets to pay for projects of uncertain value, built mostly by Chinese contractors.[71] In several countries, both governments and the public have been most persuadable to this argument. Yet, it remains very difficult and potentially not strategic to be against the entire BRI. "Taking sides" in an on-going trade war between the US-China will be self-defeating for the majority of international or domestic CSOs.

4 ADVOCATE FOR A BINDING TREATY ON MULTINATIONAL ENTERPRISE AND OTHER BUSINESS

After decades of struggle from communities across the world, the idea of corporations (including Chinese) being held legally responsible for their crimes no matter where they may occur is finally becoming a reality. In 2014 the United Nations Human Rights Council adopted Resolution 26/9 which established a new Intergovernmental Working Group (IGWG) to develop an international legally binding instrument to regulate transnational corporations and other companies with respect to human rights. FoE groups in the region should continue to support this new Human Rights Treaty that has the support of more than 800 organizations, the UN Human Rights council, the Vatican and many diverse governments including South Africa, Indonesia, India, China and Ecuador. To date there have been four sessions of the Intergovernmental Working Group and a zero draft treaty has been developed.

5 DEVELOP AND DEFEND PUBLIC PARTICIPATION AND FREE PRIOR INFORMED CONSENT IN BRI-INDUCED DEVELOPMENT INSTITUTIONS/ PROJECTS/PROCESSES

The principle of free, prior and informed consent requires securing the consensus of all stakeholders in a project within their area and should be advocated for by all FoE groups working on the BRI replated projects. Officially the Green BRI policies recognize the role of NGOs and promise to support their efforts;

> “NGOs create an enabling environment for cooperation. We will support environmental protection NGOs to build partnerships with institutions of countries along the route so as to co-conduct an array of events for environment protection so as to create an enabling environment for joint efforts in advancing the green ‘Belt and Road’ Initiative and facilitate people-to-people bonds.”[72]

Certain Chinese agencies have already appealed to foreign NGOs for cooperation on “Green BRI”. Sometimes they do it through GONGO proxies. FoE Asia must be careful in this engagement but it creates additional opportunities for CSOs to engage with China agencies on BRI.

6 USE AND BUILD CAPACITY OF CSOs TO TEST CHINESE GUIDELINES ON SUSTAINABLE INVESTMENT

Many guidelines and other recommendations for sustainable project management and responsible investments overseas have been issued by the Chinese Government in the last 15 years, of which the most relevant ones are “Green BRI Guidance” (2017) and “Green Credit Guidelines” (2013).[73] While on some occasions these have been successful in influencing specific projects, observes note that so far these guidelines do not substantially influence the behaviour of Chinese actors overseas. And one of the reasons is that those documents are not necessarily known to Chinese companies, let alone to communities affected by their projects. Furthermore, the real details of advances and difficulties in “construction of ecological civilization” are also poorly known outside China. FoE groups should use this guidelines and make advocacy trips in China to meet government officials.

7 UNIFYING ENVIRONMENTAL AND SOCIAL INVESTMENT STANDARDS AND SAFEGUARDS FOR THE SILK ROAD INVESTMENT IN EURASIA BASED ON CHINA’S INTERNATIONAL BEST PRACTICES AND NATIONAL STANDARDS

Civil society’s response to this challenge also should be more comprehensive and systemic than just following, assessing and questioning investment decisions of Chinese entities. One of measures that could significantly improve the situation and reduce risks for all investments would be unifying minimal environmental and social requirements and criteria for all project investments and policies of investors in BRI countries based on Chinese advanced domestic standards and supplementing that with strong green development policy that seeks to explicitly harmonize “Ecological civilization development” inside China with Silk Road outside China. The new domestic and international policies could then reinforce each other and contribute to sustainable development.

As a first step, FoE groups should collect and publicize BRI-related case-studies showing the “good and bad” investments and BRI-related plans in Asian countries to illustrate how our aspirational requirements can be used in practical work. FoE groups could demonstrate a wide spectrum from “best to most problematic”, project on an on-line Investment Map of the BRI and how it could be developed in the future. Friends of the Earth US has already done this in their report titled, “Investing in a Green Belt Road? Assessing the Implementation of China’s Green Credit Guidelines Abroad”. [74]

Annex 1
Criteria used in BRI evaluation by Chinese think-tanks Indicator system of BRI "Five Connectivity Indexes" (2018)[75]

TIER I INDICATOR	TIER II INDICATOR	TIER III INDICATOR
A. Policy coordination	A1. Basis of cooperation	A11. Frequency of high-level exchanges
		A12. International cooperation mechanism under the framework of B&R Initiative
		A13. Number of embassies and consulates in China
	A2. Political mutual trust	A21. Political stability
		A22. Partnership
		A23. Management of territorial disputes
	A3. Achievements of cooperation	A31. Strategic interfaces under the framework of B&R Initiative
		A32. Documents signed under the framework of B&R Initiative
		A33. Effectiveness of policy coordination
B. Facilities connectivity	B1. Transport facilities	B11. Quality of the overall infrastructures
		B12. Level of connectivity of transport facilities
		B13. Level of connectivity of China-Europe Railway Express
	B2. Communications facilities	B21. Popularity of Internet
		B22. IT level and communications technology level
		B23. Infrastructure level of bilateral communications
	B3. Energy facilities	B31. Oil transmission capacity
		B32. Natural gas transmission capacity
		B33. Electric power transmission capacity
C. Unimpeded trade	C1. Trade environment	C11. Trade barrier
		C12. Investment barrier
		C13. Business environment

TIER I INDICATOR	TIER II INDICATOR	TIER III INDICATOR
C. Unimpeded trade (cont)	C2. Level of unimpeded trade	C21. Convenience of bilateral trade
		C22. Total bilateral trade volume
		C23. Total bilateral investment volume
	C3. Production capacity cooperation	C31. Projects contracted by China in foreign countries
		C32. China foreign labor cooperation
		C33. Labor force market control
D. Financial integration	D1. Financial cooperation	D11.Cooperation currency exchange
		D12. Cooperation in financial regulation
		D13. Cooperation among development banks
		D14. Cooperation among commercial banks
	D2. Credit system	D21. Credit convenience
		D22. Standardization of credit markets
	D3. Financial environment	D31. Total savings
		D32. Size of public debts
		D33. Currency robustness
E. People-to-people bond	E1. Tourist activities	E11. Popularity of tourist destinations
		E12. Number of tourists to China
		E13. Convenience of tourist visa
	E2. Exchanges in science and education	E21. Scientific and developmental cooperation
		E22. Number of foreign students in China
	E3. Unofficial exchanges	E31. Enthusiasm of host nations
		E32. Number of friendly cities
		E33. Public opinion intercommunication
		E34. Level of friendliness of the mass

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