

LEARNING SPACES BRIEF 3

CASES OF CIVIL SOCIETY ADVOCACY ON

CHINA'S BELT AND ROAD

KEY TAKEAWAYS AND RESOURCES



INNOVATION
FOR CHANGE
WHERE PEOPLE CONNECT TO CREATE TOMORROW

SIA

AUGUST 2021

MAIN TAKEAWAYS FROM PREVIOUS LEARNING SPACES WEBINARS

03/11/2021

WEBINAR 01 SETTING THE STAGE

How the BRI fits into China's development strategy, the main actors, policies and laws.

The Chinese government, companies, industry groups and financial institutions are slowly beginning to recognize the importance of environmental, social and human rights standards. This trend in turn has created more opportunities for civil society to engage Chinese stakeholders to mitigate the impacts of Chinese overseas investment on the environment, communities and workplaces. For an in-depth summary of this webinar, see [Learning Spaces Brief 1](#).

04/08/2021

WEBINAR 02 EMPOWERMENT

International and local civil society's responses to the BRI and the role of China's civil society.

Civil society has been making an impact working on Chinese overseas investment to promote responsible business practices that will mitigate social and environmental risks and safeguard the human rights of affected communities and workers. For an in-depth summary of this webinar, see [Learning Spaces Brief 2](#).



05/04/2021

WEBINAR 03

TRANSFORMATION

Case studies of CSOs and trade unions working to address the social and environmental impacts of Chinese overseas investment.

This brief summarizes our third Learning Spaces webinar, which did a deeper dive into four cases of civil society advocacy. We heard from CSOs in Asia and a trade union in Africa about their work engaging Chinese companies and holding them accountable for addressing their projects' social and environmental impacts.



I was inspired by hearing stories of unions and CSOs being able to raise issues that got attention.

- Webinar participant from the Philippines



What we need is more knowledge sharing on how advocacy can take place from the international level to the community level.

- Webinar Participant from Cambodia

ADVOCACY PATHWAYS

CSOs and trade unions in our case studies relied on entry points, channels, and mechanisms at the international, national, and community/workplace levels to advocate for strengthening human rights and environmental protections in Chinese business operations.

International

IFC policies & mechanisms
International conventions
Investment treaties

National

ESIA, OGI, and labor laws
Letters to government bodies
Lawsuits
Media campaigns

Community/ Workplace

Organizing/unionizing
Capacity building
Dispute resolution/collective bargaining
Protests/strikes

Yunnan, China

Beijing, China

Copperbelt, Zambia

North Sumatra, Indonesia

A DEEPER DIVE INTO **FOUR CASES** OF NGO ADVOCACY

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What inspires me are the case studies, learning lessons from grassroots organizations' activism on the ground.

— Webinar Participant from Kazakhstan

CASE STUDY 01: GREEN WATERSHED'S ADVOCACY ON THE ANNING REFINERY

Actors

Chinese environmental NGOs (Green Watershed), local government agencies, China National Petroleum Corporation (CNPC)

Location

Anning County, 40 km from Kunming, the capital city of Yunnan province, China

Time

2013-2017



Background

In 2013, CNPC received approval from the national government to build the Anning refinery near the city of Kunming to process oil and gas from the China-Myanmar Pipeline (a BRI project). CNPC, however, did not disclose information about the Environmental Impact Assessment nor did it hold public hearings as required by the Chinese EIA Law. Kunming residents were understandably worried about the environmental impact of a refinery built so close to the city and went to the streets to protest.

Summary

Starting in 2013, the environmental NGO, Green Watershed¹, carried out an investigation into the environmental impact of the refinery. Using China's Open Government Information (OGI) Law, Green Watershed requested the disclosure of EIA information on the Anning refinery. It also filed a request known as Administrative Reconsideration, asking the local government to reconsider its approval of the refinery's site selection and development plan. When the Reconsideration failed, GW filed an administrative lawsuit asking for a judicial review of the local government's decisions.

As the public pressure intensified, CNPC established a Green Consultation Committee, and organized several public consultation meetings inviting local NGOs, environmental experts, and influencers to raise their concerns.

In 2015, the Ministry of Environmental Protection fined CNPC for changing the construction plan and continuing the construction without carrying out an EIA, and ordered it to suspend further construction on the refinery. After hearing this news, a group of environmental NGOs wrote a joint public letter asking the government to halt the project.

Outcome

In 2016, the court issued a decision dismissing the administrative lawsuit filed by GW, and construction on the refinery eventually resumed and was completed in 2017.

Still, the campaigns and engagement by citizens, environmental NGOs and experts sent a message to CNPC that its project was being monitored, and the company responded by carrying out additional measures to mitigate pollution from the refinery.

¹ Green Watershed closed in 2019 and is no longer operating. Some of its staff are now working for another Chinese NGO, Social Resources Institute.



● Kunming

Anning ●

CASE STUDY 02: GREEN WATERSHED'S ADVOCACY ON AN AIIB-FINANCED COAL-TO-GAS PROJECT

Background

In 2017, Beijing Gas Group received approval to build a natural gas distribution network in 510 villages on the outskirts of Beijing. This was a Public-Private Partnership (PPP) project and partially financed by the Asian Investment Infrastructure Bank (AIIB). It therefore had to comply with the AIIB's social and environmental policies. However the project's EIA and Environmental and Social Management Plan (ESMP) were not in compliance because there was no mention of the company consulting with residents from affected villages or setting up grievance mechanisms.

Summary

In 2018, Green Watershed conducted an investigation of the project, interviewing village residents who complained about not being properly informed or consulted about the project and having no channel for raising concerns. Instead, they were told it was a government-sanctioned project which they could not oppose, and that the use of gas would increase their expenses.

As part of their investigation, Green Watershed requested the disclosure of additional information from the AIIB, Beijing Gas Group, and the Beijing Municipal Government. They also sent their investigation report to the AIIB and requested meetings with bank officials. In 2018, AIIB directors, managers, and Accountability Manager agreed to meet twice with Green Watershed to hear their concerns.

Outcome

Green Watershed's advocacy delayed the AIIB's approval of the Policy of Public Information governing disclosure of information to the public at its annual meeting in 2018; and resulted in AIIB conducting a review of the project, visiting the project site, and meeting with project stakeholders - the Beijing Gas Group, village committee, Beijing Municipal government - to address the problems. It also asked AIIB to require its borrowers to improve their information disclosure practices.

Actors

Green Watershed, Beijing Gas Group, Asian Infrastructure Investment Bank (AIIB), and the Beijing Municipal Government

Location

Rural villages around Beijing, China

Time

2017-2020



Source: Green Watershed



Yanqing County

BEIJING

Beijing

CASE STUDY 03: A TRADE UNION'S NEGOTIATIONS TO IMPROVE LABOR CONDITIONS IN CHINESE-OWNED MINES

Background

After the copper mines were privatized in the 1990s, Nonferrous China Africa (NFC), a subsidiary of the state-owned conglomerate, China Nonferrous Metals Mining Corporation (CNMC), bought the Chambishi Copper Mine in 1998 and began operations in 2003. CNMC later invested in other mining operations in the Copperbelt such as the Luanshya mine, Chambishi Copper Smelter and Sino-Metals and employed many local workers. During the 2008 financial crisis, they did not close mines or lay off workers like other foreign-owned mines. However, wages, working conditions and union busting in Chinese mining operations were comparatively worse.

To address these problems, independent mineworker unions such as the Mineworkers Union of Zambia (MUZ) and the National Union of Miners and Allied Workers (NUMAW) began to unionize in the Chinese-owned mines in the early-2000s. They demanded Chinese companies recognize them and engage in regular collective bargaining, as required by Zambia's Industrial and Labour Relations Act, and by international labor conventions which call for workers to enjoy the right to "freedom of association" and "collective bargaining."



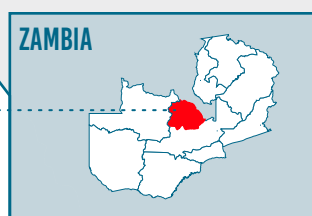
Labor issues are often under-reported and ignored because of their sensitivity and the pressure on workers to remain silent.

- Webinar Participant from Indonesia

COPPERBELT

Kitwe

Ndola



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Actors

United Mineworkers Union of Zambia (UMUZ), subsidiaries of China's Nonferrous Metals Corporation (CNMC)

Location

Copperbelt Province, Zambia

Time

2010s

Summary

The United Mineworkers Union of Zambia (UMUZ) arrived later on the trade union scene and began recruiting members at NFC and Sino-Metals in the early 2010s. At first, the Chinese companies refused to recognize UMUZ until their lawyer wrote the companies a letter to tell them they were not complying with Zambian labor laws, which requires companies to recognize unions that register at least 25 members. Only then, did the Chinese companies enter into a Recognition Agreement with UMUZ in 2011-12.

With the Recognition Agreement, UMUZ had a seat at the bargaining table with the other unions at NFC and Sino-Metals. Together, UMUZ and the other unions engage in regular collective bargaining with Chinese companies as required by law. The resulting collective agreement is legally binding once it is approved and signed by the Ministry of Labor and Social Services.

Outcome

While mineworker unions have succeeded in negotiating with Chinese companies, they still face challenges stemming from the government's weak enforcement of labor laws. Chinese companies do not always carry out their end of the agreement, and while wages and working conditions have improved, they are still less favorable than in other foreign-owned mines. There are also still instances of companies suppressing the workers' right to join the union of their choice, and retaliating against outspoken union representatives.

CASE STUDY 04: CIVIL SOCIETY'S ADVOCACY ON A CHINESE-INVESTED ZINC MINE IN INDONESIA

Actors

Local and international civil society, Dairi Prima Minerals and its two shareholders: 1) NFC, a Chinese state-owned mining company that is part of China Nonferrous Metals Corporation (CNMC); and 2) an Indonesian mining company, Bumi Resources Minerals

Location

Indonesia, North Sumatra

Time

2019-present



It's helpful learning cases from different countries so we can develop tools and strategies that work across countries.

- Webinar Participant from Cambodia

Background

This case starts in 1998 when Dairi Prima Minerals received approval from the Indonesian government to explore for metals in this area. In 2014, NFC (part of the large Chinese state-owned mining conglomerate, CMNC, featured in Case III) was selected as the contractor to design and build the mine, as well as buy and distribute the metal. In 2018, NFC became the majority owner of the mine which is expected to cost \$453 million. Mining is expected to begin several years after all the financing and insurance is secured.

The proposed mine however carries substantial social and environmental risks. It is surrounded by protected forests and impacts 11 indigenous villages. One of the main risks is that the mine is located in an area prone to earthquakes and heavy rainfall, and will produce toxic waste which will be stored in a tailings dam near the mine. The concern is that an earthquake, or heavy rainfall, could lead to a collapse of the tailings dam which would have catastrophic effects on the villages downstream from the dam. Another risk is the use of acid to extract the ore which can lead to heavy metal pollution in the water

system. In addition, the company has shown little willingness to be transparent and consult with the community about their concerns.

Summary

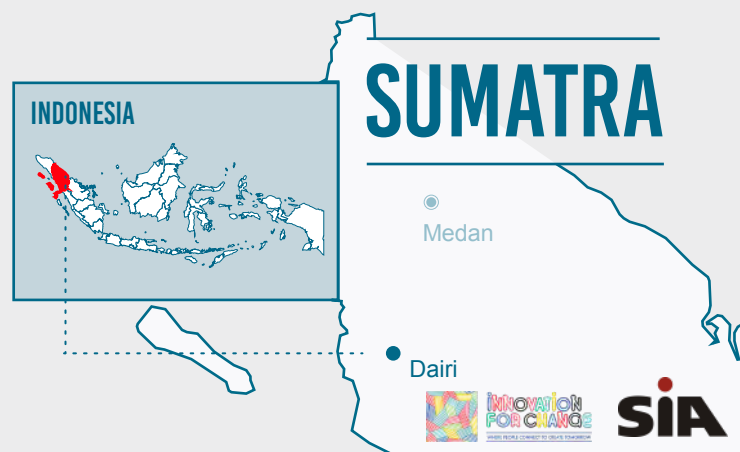
Concerned about these risks, and frustrated by the lack of response from the company, the affected communities reached out to local and international civil society organizations who helped them organize a campaign starting in 2019.

In Indonesia, technical and legal experts were invited to provide advice to the affected communities and to testify to local and national government officials about the risks of the proposed mine. At the same time, public awareness campaigns and press conferences in the local language were organized.

Internationally, letters were sent to the Chinese company and parent company, banks, regulators and government agencies. An investment chain mapping of the project revealed a link between the project and the International Finance Corporation (IFC), the World Bank's private finance arm. The link was the Postal Savings Bank of China which was an investor in CMNC and also a client of the IFC. This opened the possibility for the affected communities to file a complaint using the IFC's accountability mechanism, the Compliance Advisor Ombudsman (CAO).

Outcome

After submitting their complaint to the CAO, the communities learned in March 2020 that it had been accepted by the CAO, which is currently assessing if the project will go to a full compliance review.





LESSONS LEARNED FOR ENGAGING CHINESE STAKEHOLDERS

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**We need accessible
information and tools to
help activists understand
what actions they can
take.**

- Webinar Participant from Thailand

CASE 01 AND 02: HOLDING CHINESE STAKEHOLDERS ACCOUNTABLE FOR ENVIRONMENTAL AND SOCIAL RISKS IN CHINA

Advocacy has a territorial dimension. BEFORE Chinese projects are approved, China's environmental and labor laws can be used by advocates to address the social and environmental impacts of overseas projects. AFTER the project is approved and starts up in the host country, Chinese laws have little influence and host country's laws become much more important.



We need to find ways to safely integrate Chinese civil society into the international civil society network.

- Webinar Participant from Thailand

Some Chinese NGOs, such as Green Watershed, can be valuable allies. They have extensive experience using Chinese laws and organizing communities to hold Chinese companies and financial institutions accountable for the environmental and social risks of large-scale investment projects.

In addition to Chinese and host country laws, other entry points for advocacy are bilateral and multilateral investment treaties, and policies of international financial institutions (IFIs) such as the IFC, World Bank and AIIB, which require clients to undertake community consultation and set up grievance and/or dispute resolution mechanisms (an example is the use of the IFC's grievance mechanism in Case 4).

CASE 03: ENGAGING CHINESE COMPANIES ON UNIONIZATION AND COLLECTIVE BARGAINING IN ZAMBIA

The host country's laws are most important when it comes to regulating the social and environmental impacts of Chinese and other foreign business operations in the host country. In this case, Chinese companies complied with Zambia's labor laws by recognizing independent trade unions and engaging in collective bargaining, even though independent unions and collective bargaining do not exist in China.

While Chinese companies complied with Zambian

labor laws, challenges remain due to their greater leverage vis-a-vis local trade unions. While they showed gradual improvement in complying with labor laws, Chinese companies do not perform as well on wages and safety as other foreign companies in the mining sector.

CASE 04: PROTECTING INDONESIAN COMMUNITIES FROM DANGEROUS CHINESE-INVESTED MINES

Capacity building for affected communities is crucial. Communities need to understand how the project will impact them and how to organize an advocacy campaign to express their concerns and affect change. In this case, capacity building support included community consultation, local legal analysis, local water supply mapping, engagement with government agencies, and local language public awareness campaigns and videos.

Investment chain research looking at upstream actors (parent company, investors, lenders), midstream actors (the company, subcontractors, government agencies), and downstream actors (buyers) was key to identifying pressure points to hold the company accountable. In this case, the research identified an IFC client, the Postal Savings Bank of China, that had financed the Chinese company that invested in the mine. This allowed communities to file a complaint against the mine using the IFC's grievance mechanism.



I was inspired by [Case 01] showing that advocacy can still have an impact even though the government may not respond

- Webinar Participant from Philippines

Government agencies and companies often find ways to avoid responsibility and not respond to communications from NGOs. However, as all these cases show, communication can be constructive because when the government agency and companies know they are being monitored, they may pay attention to the case and may even start an internal review. These cases, and others presented in past Learning Spaces webinars, show that constant communication and advocacy can eventually result in a dialogue with Chinese stakeholders.

LINKS TO RESOURCES ON CHINA'S BRI

Dictionaries of key Chinese terms in international relations and development cooperation

Decoding China Dictionary, a guide which interprets the official Chinese meaning of these terms

BRI databases and reports relevant for civil society

China's Overseas Development Finance: Geospatial Data for Analysis of Biodiversity and Indigenous Lands This new interactive database allows users to examine the geolocation of China's overseas development projects and explore their proximity to indigenous lands, critical habitats, and national protected areas

The **People's Map of Global China** is a new resource for sharing and crowdsourcing information about the impacts of BRI on communities, labor, environment and indigenous peoples

GEI's **Report on Chinese NGOs Going Global** (2016)

China Development Brief's **Map of Chinese NGO projects in the BRI**

Databases for the Belt and Road Initiative (BRI) provides a collection of different databases on BRI

AIIB Watch documents environmental and social conflicts arising from infrastructure projects financed by the Asian Infrastructure Investment Bank (AIIB)

International Federation for Human Rights' (FIDH), **BRI and Human Rights webpage** featuring BRI Watch newsletters, descriptions of Chinese projects, and background on the BRI

Business and Human Rights Resource Center, **"Going out" responsibly: The human rights impact of China's global investments** (August 2021)

Peace Research Institute Frankfurt and Saferworld, **Road to peace or bone of contention: the impact of the Belt and Road Initiative on conflict states** (March 2021)

Saferworld, **Public perceptions of the Belt and Road Initiative: Guiding 'win-wins' for people, business and policy makers** (August 2021) based on interviews with civil society representatives in Kyrgyzstan, Myanmar and Uganda

Guidance for civil society working on BRI

Inclusive Development International, [Following the Money](#), an easy online guide for advocates on how to do investment chain mapping

Inclusive Development International, [Safeguarding People and the Environment in Chinese Investments: A Reference Guide for Advocates](#)

Business and Human Rights Resource Center, [Portal on Chinese Investment Overseas](#)

Important Chinese principles, policies, plans and guidelines relevant to the BRI

Inclusive Development International, [Safeguarding People and the Environment in Chinese Investments: A Reference Guide for Advocates](#), Part 3 (2019)

Business and Human Rights Resource Center, [Guidance by Government, Business and Civil Society](#)

Learning Spaces on China's Belt and Road Initiative (BRI) and Beyond is a collaboration between Social Innovations Advisory (SIA) and Innovation for Change-East Asia (I4C-EA). Our mission is to strengthen Global South civil society's understanding of, and action around, the BRI by 1) organizing webinars/workshops; and 2) facilitating greater regional coordination between activists on strategies and solutions.



CONTACT US

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