
Original article

Implementing ESG principles in the Arctic Belt and Road Initiative: problems and solutions

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Abstract. *The article examines the issues of the sustainable development goals (SDGs) agenda based on the implementation of environmental, social and corporate governance (ESG) principles within the Arctic Belt and Road (ABRR) project and proposes possible solutions using the public-private partnership (PPP) mechanism. The objective is to analyze approaches to the implementation of the SDGs and ESG principles in the Arctic Silk Road project as a key element of the Belt and Road initiative, and to develop proposals for integrating sustainable development, environmental protection and equitable economic development within this initiative, taking possible risks into account. By using quantitative and qualitative methods, the article explores the hypothesis that the integration of insurance-linked securities (ILS) and ESG instruments into the risk management strategy of the Arctic Belt and Road project will be associated with the ability of the project to protect critical infrastructure investments from environmental and geopolitical uncertainties, thereby increasing financial stability and sustainability in the region. By using ILS tools to hedge potential losses from natural disasters and extreme weather events exacerbated by climate change, a project can improve its financial resilience and ensure the continuity of critical infrastructure investments. On the other hand, integrating ESG principles into a project's risk management strategies is consistent with the goal of promoting sustainable practices, environmental responsibility, and stakeholder engagement.*

Keywords: *Sustainable Development, Arctic Belt and Road, ESG Principles, Public-Private Partnerships, Financial Sustainability, ILS Insurance-linked Securities*

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