

China's 'Belt and Road' Initiative – Challenges and Opportunities

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Abstract: The Belt and Road initiative aspires to put Asia and countries in the Middle East, Europe and Africa on a new trajectory of higher growth and human development through infrastructure connectivity, increased trade and investment. This paper discusses some of the challenges of the Belt and Road initiative and draws lessons from existing regional cooperation programs in Asia. It argues for common approaches to infrastructure development and regional cooperation by supranational institutions, particularly the development banks, and suggests a higher degree of multilateralisation of the Belt and Road initiative. It also points to the challenges of developing new approaches for a new quality of growth, taking into account the agreed goals of the Agenda 2030 for Sustainable Development and the Paris agreement on combating climate change.

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1. Introduction: Growth and sustainable development through connectivity and economic cooperation

The world is facing a seemingly permanent slowdown in economic growth after the global financial crisis. Trade and investment growth has been on the decline since several years and it appears that the reasons for this development are rather structural than cyclical. Monetary and fiscal policies in OECD countries as well as in emerging markets are facing severe limitations of effectiveness. Therefore, new ways for stimulating growth are high on the agenda. In order to foster investment in industry and services and increase employment opportunities, infrastructure investment on a large scale as well as trade and investment agreements have become central to the economic policy debate. The scaling up of infrastructure investment is seen as a strategic pathway to lift global growth and foster employment creation and sustainable development.

Estimates of infrastructure 'gaps' amount to trillions of US \$. Particularly in Asia the need for infrastructure investments in energy, transport, water, communication is enormous. The Asian Development Bank estimates the need for USD 8 trillion in infrastructure spending in Asia between 2010 -2020.

Against this background China's Belt and Road initiative has gained tremendous interest as a strategic vision for intensifying trade and investment flows and lend new dynamism to the development trajectories of countries from Asia to Europe and beyond. Potential benefits are expected by intensifying regional supply networks to sustain competitiveness, lower tariff and non-tariff barriers (NTBs) to trade, thereby decreasing the cost of importing inputs and favoring participation in value chains. Since in emerging markets and developing countries alike new policies and institutions are needed to shift towards higher value-added activities, foster entrepreneurial development and promote innovation to sustain growth in productivity, China's Belt and Road initiative is regarded as a welcome shift of the economic policy debate from macroeconomic to structural policies (OECD, 2015).

How can countries seize the opportunity of integrating into regional and global value chains and thereby increase trade and investment? For Asia this question is of particular relevance, since in a medium term perspective China will transfer part of its labour intensive industries to other countries in the process of rebalancing its economy. This also entails that in the future Chinese foreign investment will be less oriented towards natural resources and more towards manufacturing. China is planning to shift part of its production base overseas, but this would require that the necessary infrastructure exists, and the right policies are in place, in order to absorb these investments.

The Belt and Road initiative is expected to stimulate Asian and global growth by increasing trade flows and infrastructure development. Trade integration is already fairly advanced in parts of Asia, with the Association of Southeast Asian Nations (ASEAN) already operating as a Free Trade Area with the establishment of the ASEAN Economic Community (AEC) at the end of 2015. South Asia is trailing behind, but attempts to seize the opportunities of a greater degree of connectivity for trade and investment are on the way. In Central Asia, where economies are mainly resource-based, trade integration has been taking a slower pace and is limited further by the slowdown of commodity prices.

While the high aspirations for a scaling-up of infrastructure and industrial investments provide a positive vision for economic growth across Asia and beyond, it should not be forgotten, however, that economic growth has to be of a new quality in the 21st century. The Agenda 2030 for Sustainable Development and the Paris Agreement on combating climate change, both being subscribed to by all countries along the Belt and Road, require a different growth model and different pathways for infrastructure and industrial investment. Investments require new technological solutions for decarbonising the economies to a zero level during the coming decades. This will have to be accompanied by lower energy intensity in trade, by a low-carbon urbanisation process and by efficient low-carbon energy technologies. The Belt and Road initiative has to take this new quality of growth into account from the beginning.

This paper attempts to give a brief overview of some of the opportunities and challenges of the initiative. It does rather neglect the complex foreign and security policy considerations which are an important feature of the Belt and Road initiative. The second chapter gives a brief description of the Belt and Road initiative, chapter 3 draws some lessons from the extensive experience with connectivity and regional cooperation programs in Asia for which the Asian Development Bank has been an important supporter. Chapter 4 deals with the challenges of scaling-up finance and chapter 5 concludes with a view on the institutional challenges of cross border connectivity and of the Belt and Road initiative as a whole.

2. China's Belt and Road Initiative

The Belt and Road is a Chinese foreign policy initiative promoted by president Xi Jinping in 2013.

One belt refers to what was historically called the Silk Road, stretching from China through Central Asia. One Road refers to a "maritime road" which is to connect the South East Asia with the Middle East, Europe and the east coast of Africa. The concept is elastic with regard to the countries to be connected. A number of 65 countries have been mentioned as being eligible, but according to Chinese proponents of the concept, any country that aspires to be part of the initiative is welcome to participate.

The Belt and Road Initiative also aims to help develop lagging regions in China by connecting them to Central and South Asia. 18 western regions of China have been selected to participate in the initiative.

The amount of total investment envisaged in a first phase of the Belt and Road Initiative is estimated to amount to about 240 billion US \$. However, this is a rather rough estimate of project costs, depending on the number of countries to participate as well as the sectors to be covered. The fluid nature of the Belt and Road initiative will necessarily entail a continuous revision of investment costs and financing requirements.

Box 1: Belt and Road Initiative – Vision and Actions

The Belt and Road Initiative is a systematic project, which should be jointly built through consultation to meet the interests of all, and efforts should be made to integrate the development strategies of the countries along the Belt and Road.

The initiative to jointly build the Belt and Road, embracing the trend towards a multipolar world, economic globalization, cultural diversity and greater IT application, is designed to uphold the global free trade regime and the open world economy in the spirit of open regional cooperation. It is aimed at promoting orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve economic policy coordination and carry out broader and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all.

The Initiative is open for cooperation. It covers, but is not limited to, the area of the ancient Silk Road. It is open to all countries, and international and regional organizations for engagement, so that the results of the concerted efforts will benefit wider areas.

The Initiative follows market operation. It will abide by market rules and international norms, give play to the decisive role of the market in resource allocation and the primary role of enterprises, and let the governments perform their due functions.

The Initiative seeks mutual benefit. It accommodates the interests and concerns of all parties involved and seeks a conjunction of interests and the "biggest common denominator" for cooperation so as to give full play to the wisdom and creativity, strengths and potentials of all parties.

Countries along the Belt and Road have their own resource advantages and their economies are mutually complementary. Therefore, there is a great potential and space for cooperation. They should promote policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds as their five major goals, and strengthen cooperation in the following key areas: Policy coordination - Facilities connectivity - Unimpeded trade - Financial integration - People-to-people bond.

We should enhance the role of multilateral cooperation mechanisms, make full use of existing mechanisms such as the Shanghai Cooperation Organization (SCO), ASEAN Plus China (10+1), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), Asia Cooperation Dialogue (ACD), Conference on Interaction and Confidence-Building Measures in Asia (CICA), China-Arab States Cooperation Forum (CASCF), China-Gulf Cooperation Council Strategic Dialogue, Greater Mekong Sub-region (GMS) Economic Cooperation, and Central Asia Regional Economic Cooperation (CAREC) to strengthen communication with relevant countries, and attract more countries and regions to participate in the Belt and Road Initiative.

Source: Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road, Issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council authorization, March 2015

As yet there are very few identifiable projects outside China's borders which are considered part of the Belt and Road initiative. The exceptions are investments announced for **Pakistan**, where a number of Memoranda of Understanding were signed in 2015, including for a steel mill to be built by a Chinese state owned company. For the China-Pakistan Economic Corridor investments of altogether 46 billion US\$ are envisaged, to be disbursed over the medium term. The major part of the investments are to be carried out in the energy sector and in transport connections.

In **Indonesia**, a financing framework of 3 billion US\$ has been agreed upon in an Memorandum of Understanding between the Chinese and Indonesian governments in 2015, with altogether 52 projects to be funded by the China Development Bank in cooperation with local Indonesian financing institutions. Part of the financing will be in offshore Renminbi loans. A similar agreement has been reached with **Egypt**. By the end of 2015, China Development Bank was committed to to nearly 190bn US\$ in loans along the Belt and Road (China Daily, 11.3.2016, p. 7).

In other areas, there are many project ideas under consideration, based on a number of Memoranda of Understanding with a rising number of countries. However, there is obviously a lack of fully developed projects. This might be an indication of a lack of clear business rationale. Many projects have been under development already during the oil and commodities boom, but have been shelved in the meantime. Some of them would have to be profitable at lower prices or would have to be subsidised in order to become viable.

China will not be the only builder of the infrastructure and industrial investor in the large number of investments that will be needed. International as well as local companies are to participate. In any case, the benefits of the comprehensive initiative will only accrue when a number of projects get built in a several adjacent countries. The effects will be limited when individual countries move forward on their own. Only with a coordinated and cooperative approach the potential whole will be greater than the sum of its parts. A major challenge, however, will be the harmonisation of standards when building cross-border transport connections, e.g. railways. It may take years until those standards will be discussed and finally determined.

The concept, scope and nature of the initiative are still fluid. Depending on the engagement of countries, investors and financiers it will evolve over time

3. Asian connectivity initiatives – lessons learned

The Belt and Road initiative is not starting at zero. Several cooperation and connectivity programs have been carried out in Asia, notably in South-East and Central Asia, with various results. There are relatively advanced cooperation initiatives such as the Association of Southeast Asian Nations (ASEAN), while other regions are lagging behind. A striking example is South Asia, where the development of transport and trading links among India, Pakistan, Bangladesh and Nepal would create potentially huge benefits. Along the land border between China and India, for example, there are millions of people on both sides of the border with only very little trade among them.

In two recent studies the experiences with connectivity and regional cooperation initiatives in Asia have been assessed (ADB 2015, 2016). The major points can be summarized as follows:

- The barriers to economic integration are complex and encompass interlinked bottlenecks in **infrastructure, financial markets, trade facilitation, trade barriers, and limited regional cooperation**. When these barriers can be overcome, there is a significant potential for growth of economic ties, as exemplified by the economic cooperation between South Asia and South-East Asia. In most regions small and medium-sized enterprises constituting the

bulk of employment, have limited presence in trade, which hinders trade expansion and employment creation.

- Improving **transport and energy connectivity** is the crucial building block for greater economic integration. There is particular unexploited potential for energy trade, which requires the pooling and interconnection of electric power grids.
- Building **institutions** that will improve cross-regional coordination and address coordination gaps in areas such as cooperative planning and implementation processes is a major challenge. Problems arise when coordination policies need to be developed across two or more countries.
- The biggest pay-offs derive not from 'low-hanging fruit' such as infrastructure projects, but rather from deep integration that tackles **trade barriers** such as Non-Tariff-Measures, services, competition policy, intellectual property protection and politically sensitive goods such as agriculture.
- **Trade facilitation** measures are critical to ensure that the benefits of infrastructure investment result in an actual reduction in trade-related costs. While customs activity has the most visible impact on increasing the time and cost moving through borders, this can often mask the adverse effects of other agencies and operators in raising border transaction costs (port facilities, transport facilities, excessive documentation, immigration and quarantine requirements, inadequate information and communication technology).

As a general conclusion it can be summarised that infrastructure is sometimes overstated in its effects on the growth of economic opportunities. It is only one element in the equation. There are many other issues on the border and behind which have to be tackled if the envisaged growth in trade and investment is to follow.

Not always is transport cost the binding constraint to increased trade. Economic activities are concentrated increasingly in coastal areas where the cost of maritime transport is generally lower than for land-based transport. Land-based connectivity often has other objectives, such as the development of disadvantaged regions or security considerations.

Box 2: Central Asia Regional Economic Cooperation Program (CAREC)

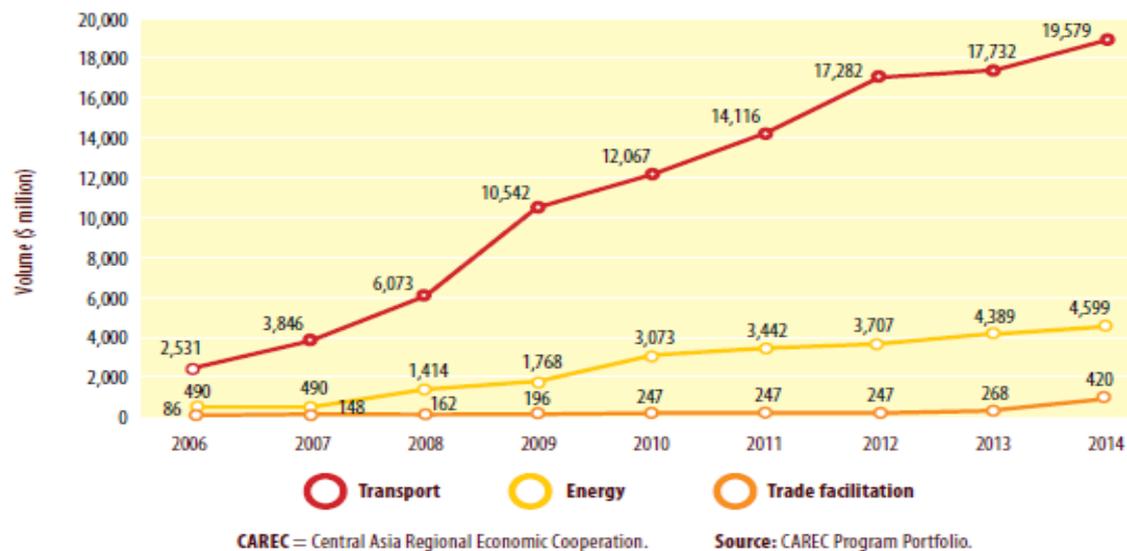
The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of 10 countries (Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan) supported by six multilateral institution partners. They are working together to promote development, trade, and commerce throughout the Eurasian landmass.

From 2001 to 2014, the program invested \$24.6 billion in regional infrastructure and initiatives to promote connectivity and trade, helping the mostly landlocked countries reach out to global markets.

After first focusing on investment in transport, the program has gradually expanded to embrace wider-ranging strategies for tackling trade, trade policy, and energy challenges.

Transport, the most capital-intensive of the priority areas, has received the lion's share of targeted financing for infrastructure since the 2007 introduction of six CAREC road and rail corridors.

Figure 1: Volume of Approved CAREC-Related Projects, by Sector, Cumulative since 2001



The cooperation program has achieved significant results in the areas of transport, trade facilitation, energy, and trade policy.

Challenges are the lack of trade openness and other nonphysical barriers, the scarcity of viable infrastructure opportunities and a well-planned road maintenance program. This limits economic opportunities across the participating nations, to be achieved to a larger extent in the next phase until 2020.

Source: Asian Development Bank, From landlocked to linked in: The Central Asia Regional Cooperation Program, Manila 2013

4. Closing the financing gap

Investment in planned and ongoing Belt and Road projects could total roughly 240bn US\$ in the coming years. However, the total investment needs in Asia are much larger than that. It is estimated, that only South Asia and South-East Asia will need at least 3,6 trillion US\$ over the period 2010 – 2020 in domestic infrastructure investment if they are to meet the needs of their growing population and of the trend towards urbanisation (Bhattacharyay et al, 2012). How can this large investment volume be financed? The solution to this financing challenge can only be a combination of public and private, domestic and international financing sources, tailored to the specific circumstances of countries and projects. Regional and cross-border projects face particular challenges, due to diverse financial and institutional capacities.

Domestic finance – local bond markets

Local currency markets in countries along the ‘belt and road’ routes could get a crucial boost from the initiative. Emerging Asian local-currency bond markets have developed rapidly. Outstanding volumes of such bonds have soared from 836bn US\$ at the end of 2000 to 8.78tn US\$ in late 2015, according to the Asian Development Bank. However, countries with less-developed financial markets face difficulties with regard to the size of their domestic capital markets and the maturity of available financial instruments. There are large disparities in financial development across countries, requiring specific measures for developing domestic capital markets.

Belt and road- related spending can trigger the much-needed breadth, depth and liquidity to many of Asia’s smaller markets. The effect of the bond issues of development banks and other issuers tapping these local markets can widen the local credit market, attract global investors and expand the development of long-term capital markets in the region. Bond markets in emerging countries should also be seen as an investment opportunity for an ageing population in emerging countries in the region. The stable income provided by bonds can be an attractive investment for individuals and pension funds. Thus, the ‘belt and road’ initiative could help to transform Asian financial markets in the near future, expanding the opportunities for recycling Asian savings into long-term investment.

However, this will not happen automatically. Governments and international institutions will have to work hand in hand to improve the market infrastructure in the region, a task that has been ongoing in recent years, but is by far not completed in many countries. A challenging task will be to bring about more cohesion among countries by harmonising regulation in areas like taxation, foreign exchange regulation and credit ratings.

Commercial finance

Financing by commercial banks is appropriate for revenue generating projects (e.g. energy, ports). But in the energy sector a lack of transmission lines is often a bottleneck. Therefore, a combination of public and private financing is warranted in most cases. However, project lending by banks has a significant mismatch of maturity of assets and liabilities and is therefore suitable mainly for financing the construction phase of projects, with long-term investors as potential holders of debt in the long-term operational period of infrastructure projects.

There is not much private finance outside the energy and communications sectors. Public-private-partnerships (PPP) are suitable for projects with lower returns where the viability gap is to be funded by the public sector. However, the institutional capacities for developing and managing PPPs is underdeveloped in many cases, particularly in less developed countries with weak institutions.

The use of corporate or project bonds for infrastructure and industrial investments is often constrained by the immaturity of the domestic capital markets. Corporate bonds and project financing structures therefore tend to receive sub-investment grade ratings, keeping institutional investors away from corporate bonds. This is reinforced by the underdevelopment of regional bond markets, inhibiting cross-border capital flows and a higher degree of liquidity in the market (ADBI, 2016, p. 19).

Institutional investors meet obstacles in the areas of regulation, where regulatory restrictions relating to foreign ownership and to the risk classes in which they can invest considerably limit their scope for financing. They are also constrained by a lack of market infrastructure and insurance mechanisms that reduce commercial and political risks for private investors.

Trade finance is a major pillar of cross-border trade and particularly for small and medium-sized enterprises, which have limited access to finance it will be an important instrument to facilitate cross-border trade and the integration in regional and global value chains. A growing part of the increasing trade in the region will be settled in Renminbi and will thus help boost the internationalisation of the Chinese currency. However, as long as the Chinese capital market is not liberalised to a larger degree, the liquidity and stability of Renminbi debt will be constrained and countries will hesitate to incur Renminbi debt to a larger degree.

Development banks

For the reasons stated above, commercial financing for infrastructure as well as for industrial investment will play only a limited role if it is not complemented by public funding and risk mitigation through public institutions. Therefore, public financing institutions, particularly national, regional and multilateral development banks and financing vehicles will have to play a major role.

National development banks are often large players in the infrastructure markets. Particularly the Chinese development banks are larger than multilateral development banks. **China Development Bank** alone has announced that it would invest a considerable part of its lending capacity in projects in Belt and Road countries. It is surpassing already today the lending of multilateral development banks in Asia and beyond.

Major players for infrastructure investments in the region are the **Asian Development Bank** and the World Bank Group. The Asian Development Bank has recently increased its lending capacity and has targeted in its strategy 2020 to spend 30% of its lending capacity for connectivity projects. The **World Bank** has also increased its lending for infrastructure and has created a new Global Infrastructure Facility as a platform for project development and financing of complex infrastructure public-private partnerships (PPPs) to enable mobilization of private sector and institutional investor capital.

The newly founded **Asian Infrastructure Investment Bank** has announced to use similar safeguard standards as the multilateral development banks and is in the process to develop several co-financing arrangements with the World Bank and the ADB. The AIIB is expected to support the Belt and Road initiative with a considerable share of its 100 billion US\$ in lending

In view of the high financing requirements for infrastructure there is a strong case for co-financing among national and international development banks in order to diversify risk, exploit complementarities and economise on project development costs. However, co-financing is restricted mainly to multilateral and national Banks which use environmental, social and governance safeguards that satisfy the requirements of the multilateral development banks. Agreements among national and international development banks on the quality of safeguards to be applied to their lending would be instrumental to expand the scope for co-financing.

A major function of the development banks is the mitigation of political and commercial risk in infrastructure projects, thereby leveraging private capital to a much larger extent. They could take the lead in introducing innovative financial instruments such as structured funds, where the public sector would take a first loss tranche in order to lower the risk for private investors, or the securitisation of loans or future revenue streams of infrastructure projects.

Development banks are also well placed to influence the policy environment as well as streamlining procurement procedures. Leveraging private sector participation can be carried out through covering political and credit risk, which is of particular importance in a number of Asian countries where political and security risks are an important barrier for private investors. This calls for a coordinated and complementary approach of multilateral development banks in developing new guarantee instruments for the specific requirements in the countries of the Belt and Road.

The area of project development is a particularly critical bottleneck where development banks could play a stronger and more coordinated role in order to facilitate the development of high quality projects which appropriately take into account environmental sustainability considerations as well as social inclusiveness, supporting the transfer of appropriate low-carbon technologies and facilitating the improvement of business practices.

Silk Road Fund

The new Silk Road Fund has a capital base of 40 billion US\$ with the major aim to promote private investment of Chinese enterprises abroad. The fund is sponsored by China's foreign exchange reserves, as well as the government and state-owned financial institutions. It has invested so far in industrial and energy projects in tandem with Chinese state enterprises, from a liquefied natural gas project in Russia to a tire producer in Italy.

Opportunities for currency and bond markets in Asia and Europe

The large infrastructure investment envisaged in the Belt and Road initiative will probably have a large impact on financial markets. The vast amounts of money needed will inject fresh momentum for capital market development in Asia, contributing to the intermediation of the considerable regional savings into investments in Asia.

Capital market reforms in China have expanded the options available to foreign and domestic investors and issuers in recent years – from “dim sum” bonds (renminbi-denominated, issued outside the mainland) to “panda” bonds (renminbi-denominated, issued by non-Chinese entities but sold in mainland China). The ‘best and road’ initiative could galvanise China’s financial reforms, and encourage policymakers to further open the country’s capital market to global participants. This could lead to a more liquid and diverse bond markets and help improve the allocation of capital.

Challenges to scaling-up infrastructure finance

A major issue for the scaling-up of financing for infrastructure as well as for industrial projects in the framework of the Belt and Road initiative are the **limits to debt financing**, particularly financing in foreign currencies, be it US\$, Euro or Renminbi. A number of countries eligible for Belt and Road investments have reached limits to indebtedness. The high indebtedness of regions in China, due to their rapid scaling up of infrastructure investments - albeit mainly in local currency - is a warning signal. Private investments will probably not flow into countries which face the danger of debt crises. The limits to debt finance can be a binding constraint for Belt and Road investments. Country risk is probably the highest risk for private investors to be considered. Political and credit risks can be mitigated only to a certain extent. This calls for caution in debt financing, for a greater reliance on domestic resource mobilisation and for a surveillance mechanism, instituted through the International Monetary Fund (IMF) or through regional institutions, which ensures that country debt limits are regarded by market players.

Another issue are the **high development costs for projects**. The large number of additional shovel ready projects in the regions of the Belt and Road to be financed in the short to medium-term does simply not exist. Sources for financing project development, to be financed either through public grants or through equity, are rather scarce. The increase of project development facilities is only part of the solution. As a rule, policies and framework conditions have to be improved in order to create more projects. The complexity of large infrastructure projects cannot be reduced by increasing financing of feasibility studies. Therefore, the combination of investment plans with policy reforms is a major requirement if the project pipeline is to be increased.

5. Governing cross-border connectivity – the institutional challenge

Countries along the Belt and Road have highly diverse levels of development and sometimes rather dysfunctional governance conditions that impede infrastructure development as well as the development of trade and investment. The complexity of developing sustainable infrastructure and combining infrastructure investments with improved policies for fostering trade and investment demands a comprehensive policy approach beyond a mere focus on individual projects. Countries will have to be supported in this endeavour through various channels of support – through policy advice and peer learning, through the engagement of development banks, and through the adoption of common standards to be developed in supranational fora, involving governments, private business and civil society.

If the potential of the Belt and Road initiative is to be realised, a variety of platforms, partnerships and governance mechanisms will have to be established. Improving infrastructure and connectivity is not a purely technical matter. It requires policy reforms in countries which want to benefit from stronger integration, and platforms among financing institutions to foster project development and common standards for financing as well as for environmental, social and governance standards. Therefore, the Belt and Road initiative should be developed further from a bilateral Chinese initiative to a more ‘multilateralised’ mechanism, which would include private business as well as national and regional government institutions.

An incremental multilateralisation of the Belt and Road initiative would lend credibility to the whole process and would increase the scope for engagement of governments and private business, which is instrumental for scaling-up investments and put them in the context of the development aspirations of the populations. It is of utmost importance, for example, that local businesses participate in infrastructure investments as well as in the value chains to be developed across borders.

Appropriate forms of supranational governance regimes will have to be established, drawing lessons from the performance of existing regional cooperation programs. Particularly the development banks, as potential lead financiers in many instances, will have to create new solutions to move from a country-to-country approach to a regional approach in planning and financing. They are called to develop innovative approaches to the development of capital markets as well as to the introduction of new instruments for leveraging private capital into infrastructure investments. To achieve this aim, they will have to act in cooperation when it comes to develop common approaches to the development of new investment projects, and they will have to act complementary among the development banking family, in order to exploit comparative advantages.

A major learning effort will have to be invested in the development of approaches and criteria for the sustainability of investments and of pathways to sustainable growth. What are cleaner modes of transport? How can low-carbon urbanisation be achieved? How can new technologies be embodied in sector strategies and in the creation of cross border value chains? The Belt and Road initiative has to deal with this type of questions in a transparent and comprehensive manner. As yet it has a predominant focus on individual projects in individual countries. The level of ambition towards sustainability as determined by the Agenda 2030 has to be raised considerably if the Belt and Road initiative wants to be a game changer for sustainable growth in Asia and beyond.

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