Synergies between the Belt and Road Initiative and the 2030 SDGs: from the perspective of development

Ling Jin

To cite this article: Ling Jin (2018): Synergies between the Belt and Road Initiative and the 2030 SDGs: from the perspective of development, Economic and Political Studies, DOI: 10.1080/20954816.2018.1498990

To link to this article: https://doi.org/10.1080/20954816.2018.1498990

Published online: 03 Sep 2018.

Submit your article to this journal

Article views: 11

View Crossmark data
Synergies between the Belt and Road Initiative and the 2030 SDGs: from the perspective of development

Ling Jin
China Institute of International Studies, Beijing, China

ABSTRACT
The Belt and Road Initiative (BRI) has its own development logic, which draws mainly from China’s development and cooperation experiences. In addition to aid, the BRI prioritises ownership, infrastructure connectivity and comprehensive approaches to development. The 2030 Sustainable Development Goals (SDGs), drawing many lessons from the implementation of the Millennium Development Goals (MDGs), mark a visible shift from the past donor–recipient relationship to an equal development partnership in the international development narrative. Comparing the two initiatives, this paper identifies synergies between the BRI and the SDGs from the perspective of development and concludes that an emphasis on ownership is the basis for docking the two development visions. The docking process should begin at the stage of strategic dialogue and policy planning between China and its development partners, and infrastructure connectivity is an area of special importance when seeking synergies and developing differentiated approaches to working in different contexts.

Background
The Belt and Road Initiative (BRI) is a China-proposed development programme. It was first mentioned in 2013 by Chinese President Xi Jinping during his visit to Central and Southeast Asia as part of the proposal to jointly build a new Silk Road Economic Belt and a 21st century Maritime Silk Road. In a milestone document, ‘Vision and Actions on Jointly Building Belt and Road’ published in 2015 (Xinhuanet 2015), the major principles and priorities are clearly laid out. Its five principles are peaceful coexistence, being cooperative, being harmonious and inclusive, market operation and mutual benefit, while policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bond are its five priority areas for cooperation. In fact, these principles and priorities for action have obviously reflected the BRI development logic and implementation approach.

The Sustainable Development Goals (SDGs), the successors of the Millennium Development Goals (MDGs), reflect a globally agreed upon post-2015 development agenda, which aims to end all forms of poverty. The 17 goals and 169 targets of
SDGs are broader in scope and go further than the MDGs by addressing the root causes of poverty and the need for development that benefits all people. The goals cover three dimensions of sustainable development: economic growth, social inclusion and environmental protection. Unlike the top-down policy-making process of the MDGs, the SDGs reflect outcomes jointly determined by various stakeholders, including not only developed countries but also developing countries and private sectors. More importantly, the development logic of the SDGs differs from that behind the MDGs and emphasises countries’ ownership and a comprehensive development approach beyond traditional aid.

The BRI, proposed by China, is a global development initiative. The development logic and approaches behind the BRI are in line with those of the SDGs, which makes the two strongly interrelated. However, there has been little discussion and analysis comparing the two, with exception of some comments from Chinese and United Nations (UN) officials. For example, speaking at a major international conference in Beijing, United Nations Secretary-General António Guterres compared China’s BRI and the SDGs, saying that both are rooted in a shared vision of global development; strive to create opportunities, global public goods and win-win cooperation; and aim to deepen ‘connectivity’ across countries and regions. He also stressed the importance of strengthening the links between the two programmes (UN 2017). The Chinese permanent representative, Ambassador Jieyi Liu, also argued that the BRI could promote the fulfilment of the SDGs 2030 during a high-level UN meeting (Liu 2017). Two other papers study the relations between the SDGs and the BRI more systematically from a comparative perspective. One is ‘Jointly Building the “Belt and Road” towards the Sustainable Development Goals’ by Hong (2016). Hong intends to delineate the important role of the BRI in facilitating the implementation of the 2030 Agenda for Sustainable Development, concluding that the BRI and the 2030 Agenda largely share a common vision and some basic principles and that the five priority areas under the BRI can contribute, directly or indirectly, to the achievement of the SDGs. The other is Cao’s (2016) analysis of the synergy between the SDGs and the BRI, with a focus on the benefits and challenges of integrating the SDGs into the BRI implementation.

Although there is no lack of literature on the relevance between the BRI and SDGs, the fundamental relationship between the two remains poorly understood, particularly regarding their development logic and how these two visions of development could be merged. With a thorough understanding of the common principles and visions of the SDGs and the BRI, this paper tries to explore more deeply the development logic behind the common principles and visions and the basis of historical analysis. The second part of this paper also tries to understand the ways in which these programmes have come to a similar development logic. Finally, the third part of the paper proposes specific ways and priority areas in which to seek the synergy between the BRI and the SDGs.

Development logic and implementation approaches of the BRI

The BRI is a development programme clearly marked by China’s view on development, which stems from the over 30-year experience of reform and opening up, and
differs from the long-standing Washington Consensus. Based on a variety of development theories, which include comparative advantage, interdependence and trade–development–peace theories, the uniqueness of the BRI development logic is as follows: ownership is the fundamental driving force for development, economic infrastructure is its indispensable basis, and trade and financial integration rather than aid are necessary for development.

**Ownership is the fundamental driving force of development**

Ownership is a philosophical concept in the sense that it demands self-possession. The concept of ownership, which originally refers to one’s right over one’s own property, became an imperative political principle of national self-governance and has become acceptable internationally since the era of decolonisation. It has also been codified in the UN Charter, which is reflected in the principle of non-interference. The concept of ownership did not enter the development discourse until the early 21st century when aid effectiveness became a buzzword. It first appeared in the Rome Declaration on Harmonisation in 2003, where great importance was attached to strengthening partner governments’ abilities to assume greater leadership roles and to take ownership of development outcomes, and it was reiterated in the Paris Declaration as ‘country ownership’. Thus, ownership can easily be seen in the development cooperation discourse. The ownership principle mainly refers to ‘the effective exercise of a government’s authority over development policies and activities, including those that rely – entirely or partially – on external resources. For governments, this means articulating the national development agenda and establishing authoritative policies and strategies’ (OECD 2007). However, the above-described journey through which ownership entered the development discourse is still mainly defined by donors from a traditional aid perspective. In the BRI framework, China’s understanding of country ownership is a set of principles and approaches by which local actors – governments, civil societies and private sector actors – have a greater voice and greater hand in development activities. Varying ownership approaches can be categorised into three broad pillars: ownership of priorities, ownership of implementation and ownership of resources.

When China put forward the BRI, the principle of ownership was highly stressed. The milestone document entitled ‘Vision and Actions on Jointly Building Belt and Road’ published in March 2015 clearly states that the BRI is in line with the purposes and principles of the UN Charter. It upholds the Five Principles of Peaceful Coexistence with non-interference and mutual respect as the core. Moreover, under the principle of harmony and inclusivity, it ‘respects the paths and modes of development chosen by different countries’. With the ownership principle, the BRI advocates the implementation approaches through ‘joint consultation, joint building and shared benefits’ (gongshang, gongjian, gongxiang) (Xinhuanet 2015).

The emphasis on ownership in the BRI comes not only from China’s own development experience but also from the lessons of the failed development practices of traditional donors. China has long been both an aid provider and an aid recipient. In receiving aid, the Chinese government continuously adheres to the principle of
ownership, with each five-year development strategy clearly defining the policy priorities. In providing aid, the Chinese government sticks to a ‘no political strings attached’ mentality and puts partner countries in the driver’s seat. Both have proved quite successful. Compared with China’s experience, traditional donors have learned hard lessons in their development cooperation with developing countries. They generally consider that a lack of development comes from inappropriate policies, thus imposing policy adjustment measures on recipient countries at the cost of ownership. Putting ownership first is based on two basic truths: there is no ‘one size fits all’ development model, and any economic structural or political reform can only be successfully implemented by the country itself and cannot be externally imposed. According to the ranking of the most pressing problems from an African perspective in the international development cooperation system, donor-driven priorities are highly ranked. The problem is essentially pressure on partners’ development strategies and aid management systems based on donor requirements rather than on national systems (Menocal and Mulley 2006).

**Economic infrastructure is an indispensable basis for development**

According to the Washington Consensus, correct macroeconomic policies, such as privatisation, deregulation and price liberalisation, naturally bring about private sector and economic development. This development philosophy emphasises institutional building and policy change while neglecting economic infrastructure. Nevertheless, reality proves that development does not come automatically with the above policy prescription.

Compared with the Washington Consensus, China’s own development experience and its cooperation with African countries demonstrate the importance of economic infrastructure to development. The rapid expansion of infrastructure has been an important factor in sustaining China’s growth, captured in the Chinese saying that ‘building roads is the prerequisite to becoming rich’. Thus, as a developing country itself, China is better able to understand the centrality of infrastructure to development aims.

Conceptually, infrastructure may affect aggregate output in two main ways: first, as a direct contribution to GDP and an additional input in the production processes of other sectors, and second, by increasing total factor productivity by reducing transaction and other costs, thus allowing for more efficient use of conventional productive inputs. A majority of studies report significant positive effects of infrastructure on output, productivity, and long-term growth rates. Currently, it is widely accepted that a lack of infrastructure inter-connectivity has been a major hindrance of development and that physical infrastructure is a precondition for industrialisation and economic development. The chances of attaining the SDGs will be largely determined by the region’s ability to tackle critical infrastructure challenges. The African Development Bank has summarised the role of infrastructure as follows:

Notably, infrastructure plays a central role in improving competitiveness, facilitating domestic and international trade, and enhancing the continent’s integration into the global economy. Coupled with better human development outcomes that improved
infrastructure promises, the spillover effects and the dynamism that would be generated could support the continent’s economic growth and poverty reduction efforts. Similarly, improved infrastructure could help eliminate some of the binding constraints to the realization of the benefits of globalization. (AFDB 2010)

Thus, it is natural to prioritise infrastructure connectivity in the BRI, which aims to promote transport, energy and communication infrastructure to form a network connecting all of the sub-regions in Asia and between Asian, European and African countries in sequence (Xinhuanet 2015). The BRI represents a major change in developmental philosophy. For development to occur, there is a need for ‘hard’ stuff; it is not just a matter of having the right prices, lowering taxes and deregulating everything (Milanovic 2017).

**Comprehensive approaches beyond aid are necessary for development**

The BRI is a joint development project instead of an aid project. When it was initiated, there were many misunderstandings around it. It was widely characterised as ‘China’s Marshall Plan’, which was a US aid project for Europe as part of a grand geopolitical strategy. Although misconceptions persist, countries increasingly realise that the BRI is a joint development initiative based on a Chinese understanding of the relationships among aid, trade and investment.

The doctrine that trade enhances welfare and growth has a long and distinguished history dating to at least Adam Smith. In his well-known book, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Smith stresses the importance of trade as a vent for surplus production and as a means of widening the market, thereby improving the division of labour and the level of productivity (see Thirlwall 2000). Many theoretical papers examine foreign direct investment (FDI) and development. Economists believe that FDI is an important element of economic development in all countries, particularly in developing ones. Several empirical studies on the relationship between FDI and economic development reach the conclusion that the effects of FDI are complex. From a macro perspective, FDI is often regarded as a generator of employment, high productivity, competitiveness and technology spillover. In particular, for the least developed countries, FDI means higher exports and access to international markets and currencies, an important source of financing that substitutes for bank loans (Denisia 2010).

In China’s development experience, trade and investment are much more important in promoting development than aid itself. Based on this experience, China formally promotes development cooperation with partner countries, combining aid with trade and investment. The major financial instrument is concessional loans provided by the Exim Bank with the logic of using aid as leverage to attract additional market money to the development collaboration. We can trace the origin of the idea to 1992 when the 14th National Congress of the CPC advocated the establishment of a socialist market economy. Since then, market forces have been an important factor in China’s development cooperation policy. In 1993, at the Tokyo International Conference on African Development, representatives from Africa stated that increasing foreign investment is a more effective way to promote development than
traditional aid. In this context, in 1995, the Central Committee of the CPC convened a conference calling for the reform of China’s development cooperation policy:

With China’s reform and opening up policy and the changing world situation, the context of China’s policy is facing deep changes. With the establishment of a market economy, enterprises have become the main actor of economic activity; financial institutions are playing more and more an important role in economic affairs. (Chang 2001)

The conference highlighted the changing political and economic conditions of developing countries, which urgently hoped that foreign investment could take a larger role in their economic development in order to increase growth and employment. Thus, the conference encouraged Chinese enterprises to play a greater role in delivering aid by means of China’s wholly or joint owned enterprises. This marks the real start of China’s comprehensive approach to development cooperation beyond aid.

The logic of combining different instruments of development is strengthened by the global value chain system. The OECD, in its reflection on aid as a development instrument, notes:

The growth of developing countries and the emergence of global value chains mean that the traditional relationship between donors and recipient countries no longer exists. Developing countries increasingly develop full-fledged trade and investment linkages with other countries, on an equal footing. They may still want to draw on the expertise of companies from developed countries to meet challenges in infrastructure or health care, but not necessarily in the form of aid. This is an exciting new way to look at development. Not only government aid, but increasingly private sector trade and investment contribute to the process. (Ploumen 2015)

The BRI, with its five priority areas, demonstrates the importance of attracting trade and investment in its programme: ‘Trade and investment cooperation has been classified as the major task in building the belt and road’ (Xinhuanet 2015). The current projects and progress under the BRI framework reflect a comprehensive development approach. By the end of 2016, Chinese enterprises had established over 56 economic and trade cooperation zones, the volume of investment was over US$18.55 billion, creating 177,000 local jobs along the BRI countries. The newly established multi-national Asian Infrastructure Investment Bank (AIIB) has provided US$1.73 billion to support infrastructure investment in Asian countries, and the Silk Road Fund has provided US$6 billion in loan support for investments (Xi 2017).

**Shifting the development logic and approach: from the MDGs to SDGs**

In 2000, the UN Millennium Declaration enabled rich and poor countries to eradicate poverty and promote human dignity, equality, peace, democracy and environmental sustainability. However, the MDGs reflect not a joint development agenda but rather an aid agenda under which the ‘poor’ and ‘rich’ are considered in a North–South framework rather than on equal footing. With the adoption of the 2030 SDGs agenda, 17 goals are set, defining global development objectives for the next 15 years and officially replacing the MDGs. The fundamental change in moving from MDGs to SDGs
is a shift in the development logic and approach that occurs with the rise of emerging economies.

**From MDGs to SDGs: development has been transformed from a developing country ‘problem’ to a global challenge that all countries are facing**

When the MDGs were launched, the issue of development mainly referred to developing countries’ challenges and the ways in which developed countries offered help as stated as in the Millennium Declaration:

> We are concerned about the obstacles developing countries face in mobilising the resources needed to finance their sustained development. We will therefore make every effort to ensure the success of the High-level International and Intergovernmental Event on Financing for Development, to be held in 2001. To implement the enhanced programme of debt relief for the heavily indebted poor countries without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction; and to grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction. (UN 2000)

Thus, the development partnership between developed countries and developing ones are regulated under the donor–recipient framework, in which the developed countries set the prescriptions and the developing countries oversee implementation in order to achieve poverty reduction.

The MDGs’ context is ‘rich donors aiding poor recipients’. Since the implementation of MDGs, the world has changed dramatically. It has never experienced the current level of interdependence, which makes no country able to develop on its own, and faces the reality that the majority of the world’s poorest people live in middle-income countries. Additionally, inequality in the global North is increasingly evident, particularly after the 2008 global financial crisis. Moreover, inequality in Northern countries has led to serious political and social crises, which have caused worldwide de-globalisation, seriously challenging global development. Thus, development is no longer an issue of developing countries but a global challenge for both developed and developing ones. Unlike the MDGs, which utilise a top-down approach, the SDGs were created in one of the most inclusive and participatory processes the world has ever seen – with face-to-face consultations conducted in more than 100 countries and the online input of millions of citizens (Coonrod 2014). Thus, its goals and targets are applicable to every country.

**The emphasis of the SDGs on the importance of countries’ ownership in realising development**

Since the MDGs were conceived within the donor–recipient framework, its development logic is naturally dominated by the views of OECD countries. Based on their experiences, good governance has been at the core of the development discourse. In the Millennium Declaration, ‘good governance’ is constantly stressed: ‘Success in meeting these objectives depends, inter alia, on good governance within each country.
And the major implementation instruments are trade, debt reduction and aid while aid is the focus (UN 2000).

In that development rhetoric, ‘good governance’ and ‘aid’ are bound together at the cost of developing countries’ ownership. Putting good governance at the core of the development discourse reflects Western countries’ development logic, which includes that (1) good governance, with a core of democracy, rule of law and human rights, is internal to the process of sustainable development; (2) good governance is a prerequisite for sustainable development; and (3) political conditionality is an instrument through which to promote political reforms in recipient countries.

When the SDGs were launched, the development discourse was shaped by developing countries and developed countries in different directions. From the perspective of developing countries, their internally driven development and different development experiences with partner countries were increasingly acknowledged by the world. From the perspective of developed countries, they also witnessed a gradual change in the good-governance-centred development logic. For example, although the European Union (EU) still attaches great importance to good governance in development, some changes have occurred to its understanding of the concept and its way of promoting it in the recipient countries. Its cornerstone paper, ‘Governance in the European Consensus on Development’, makes three important notions: (1) Democratic governance cannot be imposed from outside. (2) Support for governance must be tailored to each country’s situation. (3) Any type of reform should progress gradually. This convergent view between developing and developed countries drives the ownership principle to be included in the G20 Busan Development Cooperation:

... We welcome the opportunities presented by diverse approaches to development cooperation, such as South-South co-operation ... Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs. (OECD 2011)

With this transformation of the discourse, the ownership principle could be seen in every aspect of the SDGs from the consultation process to the implementation approaches. Statements, such as ‘each country has primary responsibility for its own economic and social development’, ‘all of us will work to implement the Agenda within our own countries and at the regional and global levels, taking into account different national realities, capacities and levels of development and respecting national policies and priorities’, and ‘we will respect national policy space for sustained, inclusive and sustainable economic growth, in particular for developing states’ (UN 2015), all reflect recognition of the ownership principle.

**The importance of the economic infrastructure for development is confirmed in the SDGs**

‘Economic infrastructure’ or ‘social infrastructure’ has been the focus of the development debate between developed and developing countries. As developed countries regard governance as the centrally important issue, it is easy to understand why they put social infrastructure first. Take the EU as an example. According to the 2015 EU aid annual report, on average, 35–40% of EU aid was provided for social
infrastructure, while approximately 10% was distributed for economic infrastructure (European Commission 2015a; Abiad, Furceri, and Topalova 2014).

However, in recent years, the economic infrastructure has gained traction among IMF, World Bank and EU policy-makers. In the *World Economic Outlook* published by the IMF in 2014, special attention was paid to the role of infrastructure in promoting growth. It states that ‘Infrastructure is the backbone of everyday life, underpinning economic activity. There is no activity that does not rely on infrastructure in some form. Conversely, inadequacies in infrastructure are quickly felt – power outages, insufficient water supply, and decrepit roads adversely affect people’s quality of life and present significant barriers to the operation of firms’ (Abiad, Furceri, and Topalova 2014). The Survey further recommends that ‘Increased public infrastructure investment is one of the few remaining policy levers to support growth’ (Abiad, Furceri, and Topalova 2014). At the policy level, the EU launched an investment plan worth 315 billion euros in 2014.

As part of a comprehensive development framework, the SDGs go far beyond poverty reduction and, thus, formally recognise the importance of economic infrastructure by listing it as a sustainable goal. Goal nine focusses on development quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all (UN 2015). The above goal clearly links infrastructure with development, which has long been overlooked.

*Unlike the MDGs’ focus on aid, the SDGs count on diversified implementation tools combining aid, trade and investment*

Unlike the MDGs’ focus, aid is now tiny compared to other resource flows, and more importantly, Western aid experience has shown that aid itself never attains development. In fact, even before the SDGs, Western donors, based on emerging countries’ experience, had gradually shifted their aid policies and combined aid with private sources. Blending has become popular in the EU development policy. Starting with Africa, the EU first established the Infrastructure Trust Fund to attract private and public investment to fill in the infrastructure gap in Africa. Then, in a new development policy paper (European Commission 2015b), it clearly stated the goal of providing a higher share of EU aid through innovative financial instruments, including facilities for blending grants and loans.

One of the most visible features of the SDGs is its focus on comprehensive implementation tools. Although the SDGs still stress the importance of developed countries honouring their aid commitments, in their implementation the SDGs have gone far beyond aid by emphasising the role of trade, finance, technology and capacity building. Under this framework, ‘international trade is an engine for inclusive economic growth and poverty reduction and contributes to the promotion of sustainable development. Private business activity, investment and innovation are major drivers of productivity’. ‘Public finance, both domestic and international, will play a vital role in providing essential services and public goods and in catalysing other sources of finance’ (UN 2015).
Synergies between the BRI and the SDGs

The BRI is China’s development initiative, which is open to and inclusive of all world partners. The SDGs are the non-binding worldwide goals applied to all members of the United Nations. The biggest commonalities between the two are that they are both development oriented, and their successful implementation depends on global partnership. The BRI is intended as a commercial, rather than geo-political, framework relying primarily on the private sector and reflecting comparative advantages under market rules and international laws. … It is in this sense that the BRI holds the promise of serving as a platform for sustainable economic growth, enhanced regional cooperation and coordination, and as an accelerator for achieving the SDGs’ (Horvath 2016). From the discussions in the first two parts of the paper, their similarities are easily discernible. Thus, it is rational to seek synergy between the two initiatives. The BRI now has entered its fifth year of implementation, whereas the SDGs are still in the process of internalisation. Such synergies were in fact registered by world leaders during the roundtable on the BRI held in Beijing: ‘The UN 2030 Agenda for Sustainable Development with the set of SDGs at its core provides a new blueprint of international cooperation’ (Xinhuanet 2017).

Consensus on the ownership principle provides the basis for synergies between the BRI and the SDGs

Both the BRI and SDGs respect the sovereignty principle and confirm that the state has primary responsibility for delivering development. Under the ownership principle, China’s BRI prioritises policy coordination and guarantees joint building of the BRI. According to the document ‘Vision and Action on Jointly Building Belt and Road’ (Xinhuanet 2015), policy coordination includes multiple dimensions from development strategies and policies to the plans and measures of cooperation with the purpose of expanding shared interests, enhancing mutual trust, reaching cooperation consensus and providing policy support for the implementation of practical cooperation. Based on the same logic, the SDGs highlight national development strategies. It states that ‘cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts, and each country has primary responsibility for its own economic and social development and that the role of national policies and development strategies cannot be over-emphasized’ (UN 2015).

Strategic planning is indispensable to ensuring both the sustainability of the BRI and the implementation of the SDGs; thus, under the ownership principle, BRI and SDG synergies should start at the development strategy level. Specifically, synergies should be reflected at different levels of policy coordination. First, synergies between the BRI and the SDGs should be reflected in the policy coordination process between China and its partner countries, which requires integrating the SDGs into the policy dialogue and cooperation priority setting. In this area, China, the largest emerging economy, has a special role to play. In implementing the MDGs, China’s success could offer valuable experience for partner countries. According to a UN Development Programme (UNDP) Discussion Paper on China’s progress on the
MDGs, ‘the role of a proactive, development-oriented government, including national goal setting, aligning national goals with the MDGs is one of the three important factors contributing to China’s success’ (Walhen 2015). By now, China has aligned its national plan with the SDGs and is one of 22 countries that participate in voluntary national review at the United Nations High-level Political Forum, which could offer a solid basis for experience sharing between China and partner countries. In integrating the SDGs into policy coordination between China and its partner countries, there should exist different approaches. As noted in the 2030 Agenda, each country needs to consider their national realities and circumstances. Hence, no one size fits all countries in regard to the mainstream process. This is also applied to priority setting to integrate SDGs into policy coordination between China and its partner countries, since countries have their own priorities in implementing the SDGs, which aims to help identify priorities, interactions between BRI projects and different SDGs and optimal sequencing. In seeking synergies on a strategic planning level, in addition to bilateral coordination, they should also be realised at the global and regional levels in building a multi-level intergovernmental macro policy dialogue and communication mechanism.

*Special attention should be paid to building infrastructure in bridging the BRI and the SDGs*

‘To realise the 2030 Agenda and the SDGs, the world is facing prodigious gaps in infrastructure investment. Various estimates suggest that the world would need to increase its investment in infrastructure by 60% by 2030 compared with the current level. Investment in infrastructure will have to increase from an accumulated total of US$36 trillion over the past 18 years to more than US$50 trillion in the next 15 years. The average infrastructure investment gap amounts to between US$1 to US$1.5 trillion per year’ (Hong 2016). Both the BRI and the SDGs stress the importance of infrastructure in promoting growth and development. Under the BRI, facilitating inter-connectivity includes improving the connectivity infrastructure construction plan and technical standard systems among countries along the Belt and the Road, forming a regional infrastructure network, and promoting green and low-carbon infrastructure construction by taking into account the full impact of climate change. As mentioned before, SDG nine is to develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure. Putting infrastructure connectivity on the development agenda is the key strength of the BRI since it strategically targets global development gaps.

Infrastructure building synergies between the BRI and the SDGs mean that BRI infrastructure planning and implementation should combine the SDGs’ three dimensions of development, which are economic, social and environmental development, particularly the social and environmental dimensions. China has accumulated much experience and many lessons in infrastructure cooperation with partner countries. After the launch of the BRI, the environmental and social dimensions have been integrated into the framework of infrastructure building. In May 2017, the Chinese Ministry of Environmental Protection, Ministry of Foreign Affairs, National
Development and Reform Commission and Ministry of Commerce jointly issued *Guidance on Promoting the Green Belt and Road* in order to further boost green development. The newly established AIIB also develops an environment and social framework to ensure the environmental and social soundness and sustainability of projects, which is totally in line with SDG social and environmental concerns. Thus, it is feasible to make the SDGs a general framework at different stages from project planning to implementation and evaluation, which could improve credibility and mitigate the environmental and social risks of BRI projects.

**Both the BRI and the SDGs stress comprehensive development instruments beyond aid - trade and financial integration, technology transfer and capacity building**

The synergies between the BRI and the SDGs in regard to instruments should also be differentiated according to different challenges partner countries face in achieving the SDGs. For example, for most developing countries, financial gaps are the key bottlenecks in achieving the SDGs. From an investment perspective alone, the SDGs will require an additional US$1 trillion in public and private investment annually, which will be realised only via close cooperation among all stakeholders. The BRI could be a new platform to promote financial integration to address financing bottlenecks. Since the BRI implementation, a multi-tiered financial cooperation network has taken shape. The AIIB has provided US$1.7 billion in loans for nine projects along the BRI countries. The Silk Road Fund has made US$4 billion in investments, and Sino-CEEC Financial Holding Company Limited (including China and Central and Eastern European countries) has been established (Xi 2017). The AIIB, the Silk Road Fund and Sino-CEEC Financial Holding Company Limited are attempting at different financial integration approaches to implement BRI projects and the SDGs with different partners.

Regarding trade, the BRI advocates unimpeded trade with efforts to improve investment and trade facilitation by removing investment and trade barriers to create a sound business environment in the region for all participating countries. This is an essential instrument of the SDGs. ‘Unimpeded trade’ is currently facing various challenges in different countries or regions. For developed countries, the challenges are mainly rising protectionism; thus, effort should be focussed on cooperation in fighting protectionism, particularly on ways to address its root causes by exploring a correction mechanism to seek a balance between ‘free trade’ and ‘fair trade’. Unlike developed countries, most developing and less economically developed countries encounter challenges of unimpeded trade, such as high costs, which result from a lack of facilities connectivity and inconsistent policies concerning customs, taxation and law enforcement. Thus, attention should be paid to these aspects by all stakeholders. Under the BRI, China has committed itself to the support of trade-related capacity-building programmes in the BRI countries as well as trade and investment cooperation programmes tailor-made by UN agencies and the WTO for BRI countries to facilitate inclusive and sustainable development.
Global partnerships are stressed in both the BRI and the SDGs as the working mechanism of the synergy between the BRI and the SDGs

The core principles of the BRI are inclusiveness and advocacy for global partnerships. Inclusiveness means cooperation with all partners that demonstrate interests. According to the cooperation mechanism set by the document Vision and Action on Jointly Building Belt and Road (Xinhuanet 2015) the engagement structure of the BRI itself is complex and multi-levelled, encompassing bilateral, sub-regional and regional, and global layers in which bilateral cooperation is the basis. In the SDG 17, global partnership refers not only to global North–South partnerships, South–South partnerships and trilateral cooperation but also to all public–private–civil society partnerships. Though the BRI and the SDGs have different expressions of global partnership, it is not difficult to find space for synergies at different governance levels. At the bilateral level, as above-discussed, China and its BRI partners should integrate the SDGs in order to bridge bilateral development strategies. At the sub-regional and regional levels, it is also important for the established cooperation mechanism and forums to coordinate the BRI and the SDGs in promoting synergies, including ways to increase regional inter-connectivity, identify mutually beneficial projects and more effective combinations of development instruments. China has actively engaged with various regional and sub-regional organisations to jointly build the BRI with strong SDG implications.

Compared with bilateral and regional coordination, trilateral cooperation is a new mechanism through which to explore coordination

China could play a special role in bridging global North and South cooperation not only because of its accumulated development experience but also because of its special role in global cooperation. As the world’s second-largest economy, China is the largest South–South cooperation (SSC) provider, covering foreign assistance and other development funds, trade and investment, people-to-people exchanges, capacity building, and sharing experience and technological solutions. Through the BRI framework, China has attached great importance to cooperation, signed declarations with France, the UK and Germany, and successfully started cooperation and coordination with international organisations.

According to the UNDP China report (UNDP 2017), the UNDP has tried different models of cooperation with China. The first development model shows that Chinese counterparts provide finance and support for designed projects. The second model incorporates more partners, often those traditional donors. In this case, the external donor provides the finance with which to pilot projects and provides knowhow and experience. The last model is that UNDP offices support a component of a larger Chinese programme that aims to make a vast international development impact, such as the ‘10–100–1000 initiative’ for China to meet climate change targets set by the COP21 (UNDP 2017). With trilateral cooperation, UNDP China and UNDP offices across more than 177 countries and territories provide networks, international management experience, knowledge of the local development context, rich global knowledge, and strong partnership-building abilities. All these competencies are critical
components of SDGs implementation. China’s cooperation with the UNDP on cooperation models can be further explored with international partners such as global North countries, the IMF and the World Bank.

**Conclusions**

China and the rest of the world have come from different places to reach the development visions of the BRI and the SDGs, respectively. Based on different histories, these two development visions have many commonalities stemming from mutual learning and interaction processes. The BRI, based on China’s development history and experience, stresses the importance of ownership and equal partnership in its implementation, which is enshrined in the ‘joint consultation, joint contribution and shared benefits’ principle, pays considerable attention to infrastructure inter-connectivity and advocates comprehensive approaches beyond aid to realise development. The SDGs have come a long way from the MDG process; China, as the most important member of SDGs, has also shifted its development logic and approaches, emphasising nearly the same principles, priority areas and ‘beyond aid’ development approaches. Thus, this paper concludes that emphasis on the ownership principle is the basis for bridging the two development visions; the process should begin at the stage of strategic dialogue and policy planning between China and its development partners; and infrastructure connectivity is an area of special importance when seeking synergies.

**Disclosure statement**

No potential conflict of interest was reported by the author.

**References**


