UNDP’s Engagement on the Belt and Road Initiative

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UNDP’s Position on the BRI

• Work with all BRI partner countries

• Ensure mutually beneficial outcomes

• Maximize partner countries’ potential to achieve the SDGs

• Assist in providing global public goods
UNDP’s Formal Engagement so far

- **Sep 2016**: First international organization to sign state-level MOU on BRI with the Govt of China (NDRC).

- **May 2017 (BRF)**: A BRI Action Plan was signed by UNDP and the GoC with a list of concrete projects.

- **April 2018**: First UNDP-China joint working group meeting with about 20 line ministries participating.
UNDP Approach

1. Policy support and evidence-based research
2. Sustainable investment and finance
3. Country engagement and capacity building
4. A platform for a broader UN engagement
1. Policy support and evidence-based research


- 2017 Annual Report on *Economic Development along the Belt and Road*. (link)

- 2019 Report on *Harmonizing BRI-wide standards in financing and investments: Toward sustainable development along the Belt and Road* (upcoming)

- 2019 Report on *Sustainable Development of Chinese Private-owned Enterprises along the Belt and Road* (upcoming)

- Research on BRI *Risk Assessment and Mitigation* (pipeline)
Through desk research, official data on the BRI from Chinese and other sources, and on questionnaire response from Chinese financial institutions and companies, as well as Multilateral Development Banks, we have identified:

• A core common subset of the principles and related standards.

• A newly developed set of Chinese standards that:
  • reflect the commonalities of leading international standards,
  • address gaps that have not been covered so far
  • add key forward-looking elements addressing looming risks (e.g. climate change)
  • ensure the compliance of all BRI investment with the standards
For BRI Partner countries:
• Reduce partner countries’ compliance costs;
• Embody best practices ➔ improve quality of projects;
• Provides an effective coordination device (all stakeholders follow identical standards & processes);

For Both, and for the Rest of the World:
• Enhances provision of regional & global public goods;
• Bolsters long-term, sustainable development approach

For China:
• Credibly convey enhanced sustainable development impact of Chinese investment and financing in recipient countries, still implementing projects without delay;
• Chinese reputational risk substantially mitigated;
• Enhanced quality of BRI-related projects—loans repaid; investment returns improved

Joint paper with the China Development Bank: Why adopt such a set of new standards?
2. Sustainable investment and finance Along the Belt and Road — Contribution to SDG Attainment

Sustainable Investment Promotion (SIP)

Why SIP?

- **Platform Building** for sustainable investment and established learning and capacity building network to address FDI bottlenecks.

- **Policy Engagement.** Improved business environment and strengthened policymaking capacities to identify regulatory and institutional gaps and align FDI with national development priorities and local needs.

- **Piloting Project.** Ethiopia: pilot project ➔ lessons for scaling up/replication generated.
3. **Country engagement and capacity building**

Key: **country ownership of BRI projects. To this end, need to:**
- enhance BRI partner countries’ engagement ability and absorptive capacity
- Strengthen the alignment between BRI projects and national development priorities
- assist with the formation of BRI projects in a SDG-conform way

Important tool for this: : **BRI Start-up Funding** *(As of Feb 2019)*

- **Pakistan**: China Pakistan Economic Corridor (CPEC) assessment.
- **Cambodia**: E-commerce.
- **Tajikistan**: Sustainable investment.
- **Turkmenistan**: Telecommunication.
- **Serbia**: BRI institution.
- **Ethiopia**: Sustainable investment promotion.
UNDP offers a platform for a broader UN engagement on the BRI:

- We strive to forge common positions and actions to narrow development gaps and achieve SDGs.

- Our BRI engagement can become a productive component of a broader UN-wide approach to foster implementation in a SDG-conform manner.

- Example:
  - EC Note on UN’s BRI engagement written with DESA.
  - Joint regional workshop with DESA on Understanding and Assessing the Potential Macroeconomic Impact of the Belt and Road Initiative on Asian Economies.
Thank you

Questions most welcome

Looking forward to a productive discussion