



Question of: Navigating the impact of the belt road initiative on African

countries

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I. Description of the Issue

The Belt Road Initiative (BRI), also known as the new Silk Road is a global infrastructure



development strategy adopted by the Chinese government in 2013. It is a network of trade routes that consists of overland roads and rail transportation through Central Asia, as well as maritime roads especially the Indo-Pacific sea routes that connect Southeast Asia, South Asia, the Middle East, and Africa (see Fig. 1). The "Belt and Road" directly connects 65 countries which make up around 60% of the world's population and also connects 40% of the world trade. Therefore, the goal of the Belt Road initiative is to enhance global trade and to stimulate economic growth across Asia, Europe, and Africa through using and improving international connections and transcontinental cooperation. Through the introduction of the



initiative, it was possible to further develop the infrastructure in numerous African countries which led to improved connectivity of Africa to the global trade market along with reduced transportation costs for intercontinental trade. As a consequence of the expanding infrastructure, the economy has continued to grow and has until now created about 30.000 job openings which will continue to add to the economic growth that has resulted from the BRI. While the Belt and Road Initiative has the potential to drive significant economic growth and development, it also presents a range of challenges and risks. These risks include the risk of corruption, concerns about the sovereignty and China's growing influence on other countries, as well as environmental concerns. It is important to keep these negative aspects and risks in mind when talking about this project, in order to get a full understanding of the issue.

II. Definition of Key Terms

African Continental Free Trade Area (AfCTA):

The world's largest Free Trade Area consisting of 55 countries of the African Union

Belt and Road Initiative (BRI):

Intercontinental transportation corridors that are a part of an infrastructure and economic development project launched by China; also known as New Silk Road.

Geopolitical dependency:

One country heavily relying on another country's investments, trade or resources and conversely being less economic and politically independent, thus more vulnerable and open to influence or even manipulation which might threaten their sovereignty.

Infrastructure connectivity:

Linkage of economies and nations through creating a network of transportation, communication and energy systems that are all connected, to ensure a steady movement of goods and services.

The Mombasa-Nairobi Standard Gauge Railway:

The Mombasa-Nairobi Standard Gauge Railway (SGR) is a major infrastructure project in Kenya, designed to modernize and improve the efficiency of the country's railway system.



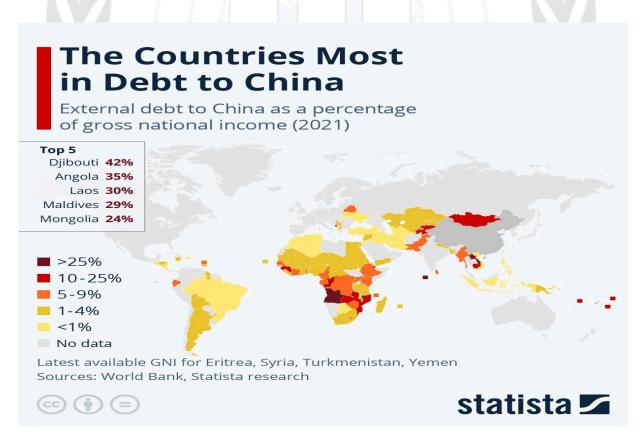
Officially opened in 2017, the SGR connects Kenya's largest port in Mombasa with the capital city, Nairobi. It replaces the old meter-gauge railway built during the colonial era.

Unimpended Trade:

Trade without any blockades and no restrictions on import and export

III. Background information

The Belt Road initiative focuses on the achievement of five major aspects, which include policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and the connection of people. The goals and purposes of the BRI also align with the UN 2030 sustainability Agenda and are closely linked to their goals and the intention to reach those. Additionally, it also contributes to the goal of the African Continental Free Trade Area (AfCTA) through assisting in "the Agenda 2063 African long-term development strategy to boost intra-Africa trade". The Initiative includes numerous chances for development and also



several financial investments that have gone into the project, this led to China quickly becoming Africa's largest individual country trading partner. There have also been



several critiques about the environmental impacts, the geopolitical dependency the project comes with, as well as concerns about economic imperialism. The main issue with the Belt Road initiative is the noticeably growing debt levels in participating countries. A lot of countries (for example Zambia) had to take loans from China to be able to participate and finance the project. At the end of 2021, China has officially lent around \$180 billion to low and middle-income countries (LIC and LIMC) (cf. *fig.2*). Even though the BRI offers a lot of opportunities it does show the risk of furthering some countries' dependency on one singular nation.

Figure 2:Debts to China in relation to the BRI project

Historical background

The Chinese president (Xi Jinping) first announced this project in September of 2013 and it is said that he drew inspiration from the concept of the Silk Road that was established during the Han Dynasty over 2000 years ago (see *fig.3*). The projects roads are built on old trade routes that

connect China to the western world for example the same routes that were used by Marco



Polo on his journey. Not only the route but also the name Belt Road Initiative is a reference to the different historic routes that are part of the project, the word Belt in the first part of the name refers to the "Silk Road Economic Belt" which is a network of Eurasian overland trade routes that were active from the second century BCE until the mid-15th century and the



second part of the name refers to the "21st century Maritime Silk Road" which are Indo-Pacific Routes that go through Asia, the Middle East and Africa.

Figure 3: The map of the ancient Silk Road during the Han dynasty

IV. Major Countries and Organizations Involved

- China: Seeing as China is the initiator and main investor for this project they function as the driving force behind this initiative. They fund and plan numerous project in participating countries in order to strengthen global trade
- **Kenya:** Since Kenya is home to the Mombasa-Nairobi Standard Gauge Railway, which plays a significant role in improving transcontinental connectivity through creating a connection of the large Indian city Mombasa with the Kenyan capital Nairobi, it is crucial for the transportation infrastructure of the BRI.
- Russia: Russia works together with China on various BRI projects in order to enhance connectivity across Eurasian territory. They significantly contribute to the energy and transportation sectors, leveraging their geographic location and resources.
- Greece: Greece plays a vital role in the 21st Century Maritime Silk Road considering that the port of Piraeus, which is located in Athens, is a key maritime hub for trade between Asia and Europe and therefore enhances the efficiency of trade routes.
- African Union (AU): The African Union works together with China in order to achieve Africa's development goals, like for example the African Continental Free Trade Area (AfCFTA), through implementing and working on BRI projects.
- World Bank: The World Bank is an international financial institution that offers loans to low- and middle-income countries in order to pursue projects. They provide financial resources to ensure that the BRI projects meet international standards.



- United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP): The Economic and Social Commission for Asia and the Pacific promotes cooperation among countries and economic and social development through regional integration. They work with the BRI projects to encourage sustainable development in Asia. The UNESCAP also provides research and policy recommendations to increase the project's productivity.
- African Development Bank (AfDB): The African Development Bank is a financial provider to African governments, through investing in the regional member countries. The AfDB funds the BRI projects that align with their development goals and priorities, which include strengthening the infrastructure. The goal of this cooperation is to benefit as much as possible from the Belt Road initiatives investments.

V. Previous attempts to solve the issue

While the BRI presents a lot of opportunities it is very important to take into account that it also shows several issues such as geopolitical dependency, the ever-growing debt levels of participating countries, as well as the environmental impacts. To tackle the biggest problem that the BRI has brought up, which is the increased debt that many participating countries have found themselves in to finance the project, the International Monetary Fund (IMF) has been involved in providing financial support to those countries who are experiencing debt problems, which they are unable to pay off or navigate themselves. This cooperation aims to make it possible for the low- and middle-income countries (LIC's and MIC's) that wish to be a part of this project, to be able to do so without having to fear excessive debt or the loss of sovereignty. Through establishing regional cooperation, such as for example the African Union (AU) and their 2063 Agenda, the alignment with their regional priorities is ensured. By helping each other to finance and implement projects, cooperation also ensures that a country's dependency on one singular other nation is avoided.



VI. Possible solutions

1. Collaborating with international financial institutions:

Through collaboration with institutions like the International Monetary Fund (IMF) and the World Bank it would be possible to introduce debt relief programs to find measures that are able to reduce or refinance debt and make it easier for the borrower country to repay its debts.

2. More divers partnerships:

By encouraging the diversity of countries and organizations to form partnerships, the increased dependency on one singular country (in this case China) can be avoided. This can be achieved through involving multiple different investors into the BRI projects.

3. Promoting more sustainable infrastructure projects:

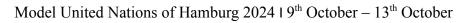
Through investing in projects such as renewable energy and sustainable transportation it will be easier to ensure more environmentally friendly plans. This could be made possible by adopting international guidelines and regulations before the approval of a project.

VII. How to prepare as a delegate

To prepare for the MUNoH conference all delegates need to inform themselves about their country's position on this issue and also need to know their allies for the coming lobbying. In order for all issues to be discussed productively, each delegate has to write **two position papers and one resolution.** Each delegate has to know to what extent their country is affected by the impact of the BRI and whether or not their country is a member of the Belt Road Initiative. All delegates should be informed about their countries' social, economic, and political aspects in order to get a basic overview of their country and their standings. Make sure to inform yourself sufficiently on the topic by reading the Research Reports and informing yourself through your own research about your specific country. You should always make sure that all your sources are valid and reliable sources, like governmental websites or official UN documents.

Other questions to keep in mind during your research are:

- Has my country signed any treaties?





- What role does my country play in the implementation of the Belt Road initiative?
- How does the BRI affect my country financially?
- Does my country have any significant debts in relation to financing the BRI? Please keep in mind that **the deadline to send in all the documents is 21.09.2024.** All documents sent in after this deadline will not be corrected by the Student Officers.

VIII. Useful links

- https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/
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 Hong, Pingfan. Strengthening National Policy Capacity for Jointly Building the Belt and
 Road towards the Sustainable Development Goals a Capacity Development Project Financed by UN Peace and Development Trust Fund.
- https://www.unescap.org/sites/default/d8files/knowledge-products/BRI_report.pdf
 United Nations Economic and Social Commission for Asia and the Pacific, *The Belt Road*Initiative for Seamless Connectivity and Sustainable Development in the Asia-Pacific Region



IX. Sources

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- "Belt and Road Forum for International Cooperation." *Economic Analysis & Policy Division* | Dept of Economic & Social Affairs | United Nations, 26 May 2017
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Feingold, Spencer, and World Economic Forum. "China's Belt and Road Initiative Turns 10. Here's What to Know." *World Economic Forum*, 20 Nov. 2023,

- https://www.ebrd.com/what-we-do/belt-and-road/overview.html European Bank for Reconstruction and Development. "Belt and Road Initiative (BRI)." *EBRD*, 2023, www.ebrd.com/what-we-do/belt-and-road/overview.html.
- https://www.statista.com/chart/19642/external-loan-debt-to-china-by-country/ Buchholz, Katharina. "Infographic: The Countries Most in Debt to China." *Statista Infographics*, 29 Mar. 2023,
- https://www.researchgate.net/figure/The-map-of-the-ancient-silk-road-and-the-land-governe d-by-the-Western-Han-Dynasty_fig1_351432071
- "Figure 1 the Map of the Ancient Silk Road and the Land Governed by The..." ResearchGate,
- https://www.idos-research.de/uploads/media/Belt_and_Road_V1.pdf Wolff, Peter. *China's "Belt and Road" Initiative - Challenges and Opportunities*. 2016.
- https://www.imf.org/en/Search#q=belt%20and%20road%20initiative

"IMF Search Hub." International Monetary Fund