

Bronx Aff 2.0

Noah and I affirm, Resolved: The European Union should join the Belt and Road Initiative.

China's current campaign westward, labeled the Belt and Road Initiative, is a global development strategy involving infrastructure development and investments aimed at building relations and economic networks across the world.

However, China lacks a large amount of funding because there is not enough private investment in the initiative.

[Huifeng of the South China Morning Post 18'](#) reports that,

“Wang Yiming, deputy head of the Development Research Centre of China's State Council, said at the forum that although many belt and road projects were funded by major financial institutions – including the Asian Infrastructure Investment Bank, New Development Bank, China Development Bank (CDB), the Export-Import Bank of China and the Silk Road Fund – **there** was still **[is]** **a huge funding gap of up to US\$500 billion a year. [because of] The limited participation of private investors**, narrow financing channels and low profitability levels were major problems, Wang said. “Countries involved in belt and road projects have low financial capabilities and high liability ratios” he said. “It is important to encourage financial innovation to raise funds to support the development of the belt and road.””

The reason that China lacks private investment into BRI right now is because of its poor approach towards infrastructure.

[Chen of Deloitte 19'](#) finds that,

“The Global Infrastructure Forum held in Bali in October 2018 stressed that, contrary to widespread perception, there is enough financing available to fix the world's infrastructure shortfalls. What is needed is to make the projects “bankable.”²⁸ This needs to happen anyway, because even before China's policy banks were instructed to step up their due diligence in extending infrastructure loans, the most aggressive estimates of BRI spending fell well short of addressing the anticipated infrastructure shortfall over the coming years. **Paving the way for private investment can be achieved by better assessment of the risks of individual projects and improved project preparation and planning.** Concurrently, countries need to step up their procurement processes and regulatory frameworks. **The forum** also **highlighted the vital role** multilateral development banks can play in bringing credibility to projects by **[of] identifying and removing barriers to private investment, such as weak project preparation, unsupportive policy and regulatory environments and insufficient financial preparation.** China's focus on the quality and viability of BRI projects should thus help to draw much greater funding from more varied sources, commensurate with realizing its ambitious vision of unfettered global connectivity underpinning a more equitable economic system.”

Fortunately, adding the EU to the mix makes the initiative much more lucrative and attractive because of the EU's financial and logistical practices, increasing investment.

[Elmer of the South China Morning Post 19'](#) writes that,

“Speaking in an interview on the sidelines of the second Belt and Road Forum in Beijing, European Commission Vice-President Maros Sefcovic said the European Union would be happy to increase its cooperation with Beijing as long as it could improve the transparency of its grand plan for boosting trade and infrastructure. “For us, connectivity is a little bit wider than the concept covered by the belt and road,” he said of the EU’s global development ambitions. “We focus **[The EU focuses] on sustainable financing, avoid[ing] debt traps and always do[ing] our [their] due diligence.** We are **[The EU is] also very careful about environmental assessments and the impact [of projects] on the public.** This is something that **[Which] makes the European approach to infrastructure very attractive.**”

Contention 1: Energy Poverty

Joseph of the International Association for Energy Economics 14’ finds that,

“The crisis associated with energy poverty condemns millions of men, women and children in Africa to continue to live in absolute poverty because they have no access to modern energy services; energy which is taken for granted in the developed world at the flick of a switch or the press of a button. According to the International Energy Agency (IEA, 2012), Over 1.6 billion people – almost one third of humanity – have no electricity, the majority of which are in Africa. This means they have no light in the evening, limited access to radio and modern communications, inadequate education and health facilities, and not enough power for their work, activities and businesses. The international community recognises a number of basic rights: the right to water, the right to food, the right to health, the right to adequate housing, the right to gain a living by work and the right to take part in cultural life. Missing from this list is the right to energy. Yet, everyone needs energy to cook food, to heat the home, to earn a living, to benefit from good health and education services. Energy poverty denies people in Africa a basic standard of living which should be available for all. Only 15% of the population in Africa has electricity, and one quarter of the 2.5 billion people cooking with biomass live in Africa (IEA, 2012). Achievement of all of the Millennium Development Goals (MDGs) has been limited by energy poverty in Africa and across the developing world. This lack of access to efficient modern energy has a significant impact on economic development and small-scale enterprise, educational opportunities, infant mortality, drudgery for women and quality of life”

Fortunately, through the BRI, developing nations are able to receive vital energy-based infrastructure projects.

Tabuchi 17’ of the New York Times reports that,

“But overseas, the Chinese are playing a different game. [Shanghai Electric Group](#), one of the country’s largest electrical equipment makers, has announced plans to build coal power plants in Egypt, Pakistan and Iran with a total capacity of 6,285 megawatts — almost 10 times the 660 megawatts of coal power it has planned in China. The China Energy Engineering Corporation, which has no public plans to develop coal power in China, is building 2,200 megawatts’ worth of coal-fired power capacity in Vietnam and Malawi. Neither company responded to requests for comment. Of the world’s 20 biggest coal plant developers, 11 are Chinese, according to [a database](#) published by Urgewald. Over all, Chinese companies are behind 340,000 to 386,000 megawatts of planned coal power expansion worldwide, Urgewald estimated. A [typical coal plant](#) has a capacity of about 500 megawatts and burns 1.4 million tons of coal each year, [enough to power](#) almost 300,000 homes. Kevin P. Gallagher, a professor of global development policy at Boston University and an expert in Chinese energy investment overseas, said **a strong infrastructure demand in developing countries and a sharp fall in coal financing by the World Bank and Asian Development Bank had opened up the field for Chinese involvement.** “In China, you have lots of very competitive and politically influential companies — but all of a sudden there’s no demand,” Professor Gallagher said, referring to

China's slowing economic growth. "So China is helping these companies go overseas to help make the adjustment at home less painful." Much of China's overseas push has come under a state initiative called "[One Belt, One Road](#)," announced in 2013, which calls for up to \$900 billion in infrastructure investments overseas, including high-speed railroads, ports, gas pipelines and power plants. China's two global policy banks, the China Development Bank and the Export-Import Bank of China, have already provided more than \$43 billion in overseas coal financing since 2000, according to [a separate database](#) of Chinese energy investments published this year by Boston University."

The BRI opens the doors for Chinese energy companies to help the developing world.

Hilton 19' of Yale University writes that,

"Just building the land-based Silk Road Economic Belt and the 21st Century Maritime Silk Road will absorb massive amounts of concrete, steel, and chemicals, creating new power stations, mines, roads, railways, airports, and container ports, many in countries with poor environmental oversight. But more worrying still is the vision of industrial development to follow, and the energy that is planned to fuel it. While China has imposed a cap on coal consumption at home, its coal and energy companies are on a building spree overseas. **Chinese companies are involved in at least 240 coal projects in 25** of the Belt and Road **[BRI] countries**, including in Bangladesh, Pakistan, Serbia, Kenya, Ghana, Malawi, and Zimbabwe. China is also financing about half of proposed new coal capacity in Egypt, Tanzania, and Zambia. While a few of these new plants will use the latest technology — in Bangladesh, for example, China is building the country's first "clean coal" plant — many are less advanced and are not being planned with the carbon capture technology that would make them less threatening to efforts to control climate change."

For example, China is financing proposed new energy sources in Tanzania and Zambia, and **Tabuchi** indicates that Chinese energy companies have plans to build more coal plants overseas, accounting for,

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There are two impacts

First, saving lives

The Worldwatch Institute 19' notes that,

"At least 2.7 billion people, and possibly more than 3 billion, lack access to modern fuels for cooking and heating. They **[have to] rely** instead **on traditional biomass sources, such as firewood, [or] charcoal**, manure, and

crop residues, **that** can **emit harmful indoor air pollutants when burned**. These pollutants **[that] cause nearly 2 million premature deaths worldwide each year, an estimated 44 percent of them in children**. Among adult deaths, 60 percent are y'all women. Traditional energy usage also contributes to environmental impacts including forest and woodland degradation, soil erosion, and black carbon emissions that contribute to global climate change."

Fortunately, **Tabuchi** concludes that just one coal plant,

"A typical coal plant has a capacity of about 500 megawatts and burns 1.4 million tons of coal each year, **[is] enough to power almost 300,000 homes**. Kevin P. Gallagher, a professor of global development policy at Boston University and an expert in Chinese energy investment overseas, said a strong infrastructure demand in developing countries and a sharp fall in coal financing by the World Bank and Asian Development Bank had opened up the field for Chinese involvement."

Second, economic growth

Kimani finds that, "**Access to modern and affordable forms of energy is essential to creating employment, which can directly reduce poverty levels**. Employment in formal and non-formal sector activities is positively correlated to increased access to cleaner energy options such as electricity, as is workers' productivity in value-adding processes. • **Increased access to modern forms of energy contribute to the transformation of agriculture-based economies – where significant animate energy is used – into industry-based economies**, where modern forms of energy play a key role in the more-advanced value-added activities that characterize more industrialized economies.

This is critical as **Roser 19'** impacts that, "**Half a billion are expected to remain in extreme poverty by 2030 if current trends of economic growth persist**"

Contention 2: Global Trade

China has made a shift to fixing border delays, a major roadblock to trade between BRI nations.

As the **World Bank in 2018** writes,

Countries participating in the Belt and Road Initiative face a major challenge in facilitating trade. While large investments in trade-related infrastructure capture global headlines, **transaction costs generated by inefficient border clearances** and trade-related regulatory requirements **are one of the major policy risks facing the BRI**. A new World Bank Group study assesses the scale of these trade facilitation challenges. Looking specifically **at the six BRI land corridors**, the research shows that most of these trade corridors perform below global averages. For instance: **Times to comply with regulatory and border requirements for import are higher than the global average** on all corridors except the New Eurasian corridor, and times to export are higher than the global average on all corridors except the New Eurasian and China-Pakistan corridors; Although it is the global norm for import clearance to take longer than export clearance, the gap between them is higher than the global average along the BRI corridors, **suggesting a disproportionate burden for traders importing to BRI countries**; Customs and border management agency performance is better than the global average on two of the six corridors, and On trade facilitation benchmarks, including Doing Business and the Logistics Performance Index, only two of the six land corridors rank in the top half of countries globally, and three of the six corridors rank below the global average in all benchmarks covered in our review.

increasing the cost of trading.

However, China's BRI reforms offer a solution for Europe.

Yeung of the World Economy in 2019 notes,

A survey conducted by the OECD/WTO in ten regional economic communities and transport corridors and 62 developing countries found **border procedures and transport infrastructure to be [are] among the most important source of trade costs** for exports (OECD/WTO, 2015). Improvements in border efficiency not only improve exports unilaterally, but also enhance the effectiveness of the hard infrastructures as well. Yadav (2014) in a study of trade facilitation and parts and components trade also pointed to the greater effectiveness of reducing border and customs-related barriers in promoting exports. Amin and Haidar (2014) found that reducing the number of documents for export and import clearance to promote trade is particularly important for small economies. Compared to China, most other countries involved in OBOR are small, with parts and components trade featuring prominently in their trade relations. Thus, improving border administration should be considered a priority of the OBOR project. However, these improvements are within the policy space of individual countries. **Reducing barriers to trade, whether removing redundant documents, or controlling unsolicited payment by customs officials, or even promoting paperless systems in customs clearance**, requires the political will of individual governments. If these measures are introduced, physical connectivity further enhances trade. Thus, if [the BRI]OBOR is to meet its objective of increasing economic relationship among countries in the region, China will need to require countries along the corridors to make significant improvements in its border administration [for example by eliminating redundant documents and switching to paperless systems], as a precondition to investing in the hard infrastructure. **The Chinese government could nudge the improve ments-in the border administration of individual countries, by promoting [regional trade agreements or] RTAs** along the various corridors **as these agreements could include [with] trade facilitation clauses**. More recently concluded **RTAs have various features** of trade facilitation, ranging from the exchange of customs-related information among member countries to a single window to facilitate paperless approval systems (Neufeld, 2014). As long as the features of the trade facilitation measures are non-discriminatory against non-members (Hamanaka, Tafgar, & Lazaro, 2010), the RTAs could also facilitate greater trade both within and among the corridors of the OBOR—The membership of China in the RTAs, particularly with the CA/WA, BCIM, CMR and NELB corridors, could be a further impetus towards more vibrant RTAs in the region. In this regard, the **China-ASEAN FTA** is a good model to emulate

Which Wang explains China has been doing this in other nations already

The other category consists of **BRI-related rules**, which do not refer to the BRI but can be applied to trade and investment under the BRI. They **include** WTO rules and **preferential trade and investment agreements** (PTIAs), including free trade agreements (FTAs), and bilateral investment treaties (BITs). BRI-specific documents are representative of how the initiative is intended to operate, while BRI-related rules play an important role in the actual practice of the initiative

Eliminating trade delays leads to access to larger markets.

As Ramasamy of ESCAP in 2017 explains

A one-percent increase in the efficiency of border administration and transport infrastructure will increase exports by 1.5 percent and 0.7 percent, respectively. A one percent improvement in the quality of ICT on the other hand can increase exports by 1.4 percent. Clearly, among the three enablers in the model, improvements in the efficiency of border administration have the largest impact on exports, ceteris paribus.

Allowing more goods to be bought and sold.

The benefits of this boom in trade goes global

This is why if the EU joins the Belt and Road Initiative,

Xu of HKU writes,

The Asia region then becomes the biggest winner, followed by non-EU European countries which also benefit from the elimination of trade tariffs. If we consider countries one by one, **the top winners [will be]** Middle Eastern and Central and East **Asian countries [like Thailand and Vietnam] – whose trade increases by more than 15%.** This compares favorably with trade gains stemming from the reduction of transport costs – previously estimated for this group of economies to be 3%.

And [Koopman of the World Economic Forum](#) concludes,

Open trade is particularly beneficial to the poor, because it reduces the cost of what they buy and raises the price of what they sell. As new research from the World Bank and the World Trade Organization makes clear, **farmers and manufacturing workers earn more income when their products can reach overseas markets.** With today's trade tensions, it is easy to lose sight of the progress the world has made over the past few decades of economic integration. **Since 1990, more than one billion people have lifted themselves out of poverty, owing to growth that was underpinned by trade.**

Thus we affirm