There are no translations available.

A new study from the World Bank explores the impact, with risks and opportunities generated by the infrastructure investments related to the China’s Belt and Road Initiative (BRI).

China proposed the Belt and Road Initiative (BRI) in 2013 as an ambitious programme to connect Asia with Africa and Europe via land and maritime networks along six main corridors with the aim of improving regional integration, increasing trade and stimulating economic growth. This project, also known as the “New Silk Road” (as it harkens back to the original Silk Road, an ancient network of trade routes established during the Han Dynasty 2,000 years ago that connected China to the Mediterranean via Eurasia), has been labeled as the most ambitious infrastructure investment effort in history. The programme will be implemented through a series of infrastructure development projects involving ports, roads, railways and airports, as well as power plants and telecommunications networks.

China has presented the BRI as an open arrangement in which all countries are welcome to participate. If completed, BRI transport projects could reduce travel times along economic corridors by 12%, increase trade between 2.7% and 9.7%, increase income by up to 3.4% and lift 7.6 million people from extreme poverty.

Official data from China states that 125 countries had signed collaboration agreements with China as of March 2019, with many of these countries not located along the BRI corridors (some of them, for example, are in Latin America or in noncoastal parts of Africa).

Kenya, in particular, recently (April 2019) signed two project delivery agreements through concessional financing and Public Private Partnership (PPP). The projects include the Konza Data Centre and Smart Cities Project (a project aimed at developing technology-intensive and high-tech industries in ICT, biotechnology and e-commerce to be undertaken by Chinese telecommunications giant Huawei), and the construction of a 45.2km expressway linking the Nairobi International Airport (JKIA) to the James Gichuru road junction, in Westlands, Nairobi.

The World Bank’s study mainly focuses on 71 economies geographically located along BRI transport corridors (detailed in Annex A), referred to as “Belt and Road corridor economies,” or “corridor economies”, exploring the risks and opportunities of transport corridors projects to be launched in such countries which are related to such an initiative. The analysis shows that Belt
and Road transport corridors could substantially improve trade, foreign investment, and living conditions for citizens in participating countries only if China and corridor economies will adopt deeper policy reforms aimed to increase transparency, expand trade, improve debt sustainability, and mitigate environmental, social, and corruption risks. Procurement procedures, in particular, should be open, transparent, and competitive. Which means that award contracts should go to the firms best placed to execute the BRI projects, regardless of their ownership or nationality. The reality however is that in many economies, restrictions still are common with regard to the type or size of procurement contracts and on participation by foreign firms in procurement opportunities. In Sub-Saharan Africa, Kenya is indicated, together with Tanzania, among the least open corridor economies.