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Indo-Pacific infrastructure development financing: an agenda for Australia and Europe

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KEY FINDINGS

- Financing infrastructure development remains a strategic priority in the Indo-Pacific given rising geostrategic competition and the longstanding financing gap only made larger by the overlapping crises of pandemic, war, and climate.
- European governments are major infrastructure financiers in the region and should be closely integrated into donor coordination efforts by Australia and other like-minded governments.
- Australia and Europe should cooperate by investing more in project preparation, streamlining project standards, and pursuing reforms to unlock greater official development finance.

INTRODUCTION

Financing infrastructure in developing economies has become an increasingly prominent international policy priority. As part of this, the Australian government and European Union (EU) are looking to improve the complementarity and coordination of their infrastructure financing efforts, especially in the strategically important Indo-Pacific region encompassing the developing economies of South Asia, Southeast Asia, and the Pacific Islands.[1] This is part of a broader effort that includes several other like-minded partners — most notably the United States, Japan, and the United Kingdom. Governments in these countries are looking to step up their infrastructure financing efforts in response to geostrategic concerns about China's rise as an infrastructure financier but also in recognition of the significant infrastructure financing gap faced by developing economies, including due to climate change and the need to support economic recovery amid the overlapping international crises that have characterised the early part of this decade, most notably the Covid-19 pandemic.[2]

This Research Note makes several suggestions for how this group of like-minded partners can lift their infrastructure financing contribution in the Indo-Pacific, with an emphasis on how Australia and the EU can collaborate within this framework. It recommends that the group should invest substantially more in project preparation activities to expand the available pool of bankable projects, focus on ensuring "fit-for-purpose" infrastructure standards to improve both the flow and competitiveness of their financing, and expand the scale of their financing efforts by committing greater public resources and making full use of the best available financing instruments and channels, including the multilateral development banks (MDBs). Specific actions that could be pursued by Australia and the EU in each of these areas are identified. Finally, given the financial firepower of European governments as major infrastructure development financiers in the region on a scale far outstripping that of Australia, the United States, and the United Kingdom combined, this Research Note argues that priority should be given to ensuring the EU and its largest members are closely involved in regional coordination mechanisms aimed at financing joint infrastructure projects.

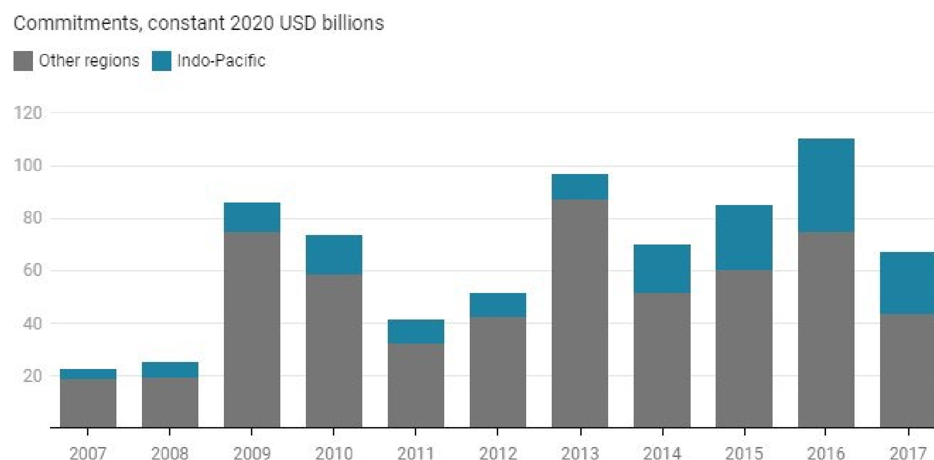
STRATEGIC IMPORTANCE OF INDO-PACIFIC INFRASTRUCTURE FINANCE

Western governments are long-established providers of official development finance, particularly in the form of grants but also broader financing instruments including loans, equity investments, and guarantees. For some time, however, investing in infrastructure had fallen away as a top priority. China's rise as a major infrastructure development financier, and the launch of its Belt and Road Initiative (BRI) almost a decade ago, has changed this. Spurred by concerns over the geostrategic implications of China's overseas infrastructure activities, other governments have sought to respond with their own enhanced infrastructure efforts. In 2022, this culminated in the G7 launching the Partnership for Global Infrastructure and Investment, promising US$600 billion in financing and notionally incorporating the EU Global Gateway, launched in December 2021, which alone targets €300 billion (about US$320 billion at present) in total mobilised investment.

Geopolitical mistrust and limited public information have seen China's BRI attract heated debate and controversy.

Geopolitical mistrust and limited public information have seen China's BRI attract heated debate and controversy. It is clear that China has become a major global infrastructure financier over the course of last decade, especially within the Indo-Pacific. According to the most comprehensive global estimates compiled by AidData, new Chinese development financing commitments averaged around US$80 billion a year between 2013 and 2017 (the last year for which AidData figures are available). Although the BRI quickly expanded beyond its initial focus on financing infrastructure and connectivity in China's near-abroad, this has remained a core focus (Figure 1a). The share of Chinese global development finance directed to Indo-Pacific emerging market and developing economies (EMDEs) rose from about a fifth in the years immediately preceding the BRI's launch in late 2013 to more than a third by 2017. Of this, about three-quarters has been for economic infrastructure, such as roads, ports, power stations, and telecom networks. China, on average, made about US$16 billion a year in new financing commitments for economic infrastructure in the Indo-Pacific over 2013–17, significantly more than all Organisation for Economic Cooperation and Development (OECD) donors combined at about US$11 billion a year on average.[3]

Figure 1a: China's development finance and the Indo-Pacific



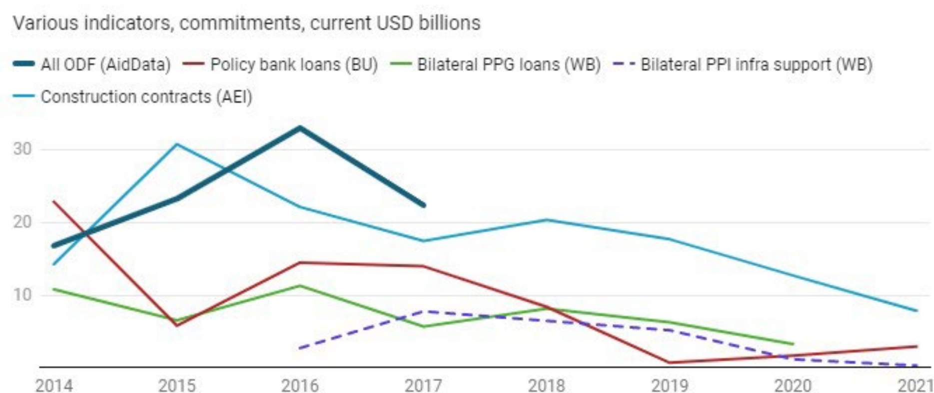
Get the data · Created with Datawrapper

Source: Author's calculations and AidData

More recently, China's overseas infrastructure activities appear to have run into increasing difficulties. Although AidData figures are not available beyond 2017, a range of other indicators point to a sharp deceleration in new Chinese loan commitments over the last several years, both globally and within the Indo-Pacific (Figure 1b). This reflects a confluence of factors including tightening Chinese capital controls and project lending standards, implementation difficulties, diminishing absorptive capacity and demand among recipient countries, and the economic impact of the Covid-19 pandemic and other shocks. An increasing number of Chinese loans are being renegotiated, while a number of countries that borrowed heavily from China are in debt distress, including Sri Lanka, Pakistan, and Laos in the Indo-Pacific. By one estimate, US$52 billion in Chinese projects had already undergone renegotiations globally during 2020 and 2021.[4]

Though China's BRI has run into problems, for Australia, the EU, and other like-minded partners, providing a meaningful infrastructure alternative remains a strategic priority for a number of reasons. First, while new Chinese commitments have fallen off and several BRI partner economies are in debt distress, loan disbursements to others have been accelerating, including in Bangladesh, Indonesia, the Philippines, and Vietnam — indicating that BRI implementation continues.[5] Second, the BRI has been written into China's constitution and China retains the financial firepower to provide considerable continued financing, including through emergency loans and refinancing as well as new commitments.

Figure 1b: The recent slowdown in new Chinese financing commitments in the Indo-Pacific



Note: Dotted lines indicate incomplete data over series

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Source: Author's calculations, AidData, Boston University Global China Initiative, American Enterprise Institute, World Bank DRS, and PPI databases

The BRI will therefore likely continue to be a source of geopolitical influence for China in one form or another, operating alongside China's recently launched Global Development Initiative.[6] Third, and most important, from a sustainable development perspective, any retrenchment in Chinese infrastructure financing only heightens the imperative to mobilise alternative sources of investment.

The need for substantially higher rates of infrastructure investment in developing economies around the world is well recognised. Using estimates published by the Asian Development Bank (ADB) for instance, Indo-Pacific EMDEs excluding China in 2015 recorded about US$200 billion in infrastructure investment compared to annual requirements of about US$500 billion — implying an infrastructure financing gap of about US$300 billion or 5% of collective GDP to sustain the region's growth and development while responding to the need for climate change mitigation and adaptation.[7]

Three factors have made the economic case for addressing this gap even more urgent in recent years.

First, EMDEs around the world are facing a series of overlapping crises, including the impact of the Covid-19 pandemic, Russia's invasion of Ukraine, disrupted supply chains and commodity markets, high energy and food prices, increased food insecurity, global inflation, and rising world interest rates. External assistance to mobilise greater infrastructure investment — given its ability to provide both short-term stimulus and longer-term economic dividends — has thus become even more important to support much-needed economic recovery.[8]

Over the last two decades, the Indo-Pacific has suffered more from weather-related disasters than any other region.

A second factor is the increasingly urgent need to decarbonise global economic activity — and thus the necessity for significant amounts of climate finance for decarbonisation in the largest and fastest-growing EMDEs, many of which are in the Indo-Pacific. For instance, India and the member states of the Association of Southeast Asian Nations (ASEAN) currently account for about 12% of global carbon emissions, with the share potentially rising to 15% by 2030 and 19% by 2050, according to the International Energy Agency (IEA).[9] The IEA estimates that clean energy investment in Indo-Pacific developing economies needs to more than quadruple from current levels by 2030.[10] Southeast Asian developing economies need to increase clean energy investment from the US$28 billion a year spent during 2016–20 to US$130 billion a year by 2030 (both in constant 2019 US dollars). For India, annual clean energy investment must rise from US$42 billion to US$180 billion.

A third and equally urgent factor is investing in climate adaptation. Indo-Pacific EMDEs are among the most vulnerable to the impacts of climate change. Over the last two decades, the Indo-Pacific has suffered more from weather-related disasters than any other region.[11] Seven Indo-Pacific EMDEs are ranked among the top ten countries in terms of natural disaster risks.[12] Indo-Pacific EMDEs are also highly vulnerable to rising sea levels, with large populations and important food-producing regions in low-lying areas exposed to flooding and land erosion.[13] Adaptation investment needs in the Indo-Pacific are consequently very large, especially for the highly vulnerable Pacific Small Island Developing States, relative to their limited economic resources. The International Monetary Fund (IMF) estimates that public investment requirements for adaptation average about 3.3% of GDP for Indo-Pacific EMDEs but are far higher in many Pacific Islands — at roughly 26% of GDP in Kiribati, 17% in Tuvalu, and 14% in Vanuatu.[14]

INDO-PACIFIC INFRASTRUCTURE DEVELOPMENT FINANCE

Indo-Pacific developing economies are diverse, requiring a variety of infrastructure financing strategies. At the subregional level, South and Southeast Asia are home to many relatively large and dynamic emerging economies, whereas the Pacific is home to many of the world's smallest and most fragile economies. Whereas infrastructure development in emerging Asian economies is very much about supporting economic growth and the global public benefits of decarbonisation, in the Pacific it is more about providing basic services and reducing vulnerability. Whereas private investors can be expected to play a meaningful infrastructure financing role in emerging Asia, this is unlikely in the Pacific where adaptation investments are critical but generally of little interest to private investors. Private investor interest in the Pacific more generally is limited, given the region's structural impediments of remoteness, tiny markets, and vulnerability.[15]

There is also considerable variation in the infrastructure financing capabilities of Australia, the EU, and other like-minded partners.

There is also considerable variation in the infrastructure financing capabilities of Australia, the EU, and other like-minded partners, despite these governments adhering to broadly similar infrastructure and development finance-related standards and principles.

As a bloc, the EU is the world's largest provider of official development assistance (ODA), collectively providing about €70 billion in ODA in 2021, or 43% of total global ODA. Collectively, "Team Europe" is also a major global infrastructure financier, with considerable and long-established capabilities through institutions such as the European Investment Bank and numerous bilateral development finance institutions wielding a wide range of financing instruments including grants, loans, guarantees, equity investment, and other modalities. The recently launched EU Global Gateway initiative looks to use these Team Europe capabilities to deliver a targeted €300 billion in mobilised infrastructure investment between 2021 and 2027 in the digital, climate, energy, and transport sectors as well as investments in health, education, and research systems.

Australia is a far smaller player, though it has been enhancing its infrastructure financing capabilities in important ways. Australia's total ODA was just under US$3.5 billion in 2021, making it the thirteenth-largest bilateral aid donor in the OECD. Australia's development efforts are focused on its immediate region in

Southeast Asia and the Pacific Islands, especially the latter in recent years. In 2019, Australia broadened the infrastructure financing mandate of its export credit agency, Export Finance Australia (EFA), and provided it with AU$1 billion in additional callable capital, with its total capital base reaching AU$1.8 billion as of June 2020.[16] In 2021, EFA was empowered to make targeted equity investments, in addition to debt financing and guarantees.[17] Australia has also established a AU$4 billion infrastructure financing facility for the Pacific Islands and Timor-Leste, mostly consisting of bilateral loans.

Australia and the EU have stated their desire to improve the complementarity and integration of their infrastructure financing endeavours.

Other like-minded donor governments have also expanded their infrastructure financing efforts. In 2016, Japan launched its Expanded Partnership for Quality Infrastructure, targeting US$200 billion in investments. In late 2021, the United Kingdom launched its Clean Green Initiative, targeting £3 billion in climate financing, as well as aiming for £8 billion a year in broader mobilised investment by 2025.[18] Under the Partnership for Global Infrastructure and Investment, the United States aims to mobilise US$200 billion by 2027 in investment targeted at climate change, energy security, and digital technology as well as gender equity and health security. In 2018, the United States also transformed its Overseas Private Investment Corporation into a new US International Development Finance Corporation with modernised capabilities and a doubling of its total portfolio funding ceiling to US$60 billion.

These initiatives share several common elements. First, there is an emphasis on “high” standards, especially with regard to transparency, economic viability, and environmental and social safeguards. Second, there is a strong focus on mobilising private sector investment to deliver the scale of financing required for both economic development and geostrategic purposes. New public resources to be deployed are unclear and in any case modest at most. Third, the Indo-Pacific is a key area of policy focus. Australia and Japan already concentrate their development finance on the region. The EU, United Kingdom and United States have also each recently released Indo-Pacific strategies suggesting some intended pivot towards the region.

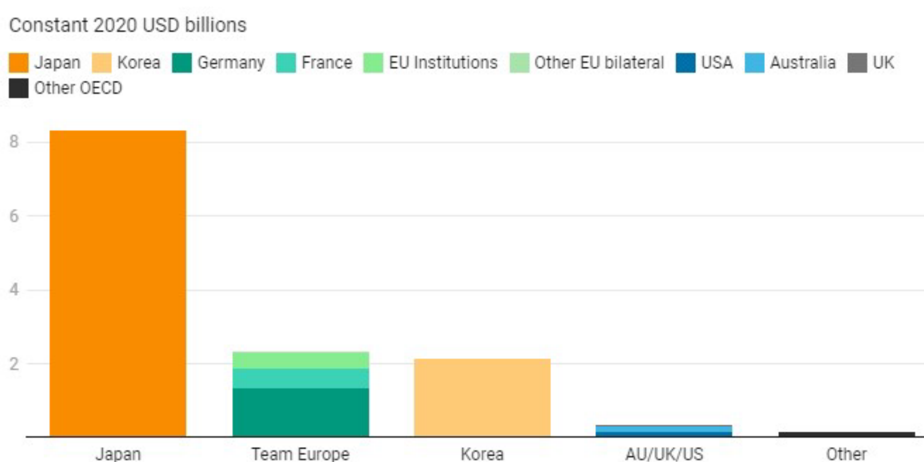
These like-minded partners are also increasingly looking to better coordinate their bilateral efforts. At the strategic level, the G7 has formed the Partnership for Global Infrastructure and Investment. Australia and the EU have stated their desire to improve the complementarity and integration of their infrastructure financing endeavours. The EU and United States have made similar statements.[19] The EU and Japan have agreed a Sustainable Connectivity and Quality

Infrastructure Partnership.[20] At a more project-focused level, Australia, Japan, and the United States have formed a trilateral partnership aimed at financing joint infrastructure projects in the Indo-Pacific.[21] Australia and the United Kingdom have formed a similar bilateral arrangement.[22]

To identify practical recommendations for Australia, the EU, and other like-minded partners, it is useful to review several basic facts about infrastructure development finance in the Indo-Pacific. What exactly is the role of these various infrastructure development partners in the Indo-Pacific? And what is the track record in the Indo-Pacific in mobilising private infrastructure investment as a way of delivering the scale of investment both targeted and required?

Figure 2a shows the role of major Indo-Pacific bilateral infrastructure finance providers, including the EU, over the five years preceding the Covid-19 pandemic. Japan is far and away the leading provider of infrastructure development finance among OECD donors, providing more than 60% of all infrastructure development finance to the region from this group.[23] Less well appreciated is the significant role of Europe. Team Europe is collectively the second-largest infrastructure financier in the region among OECD donors.

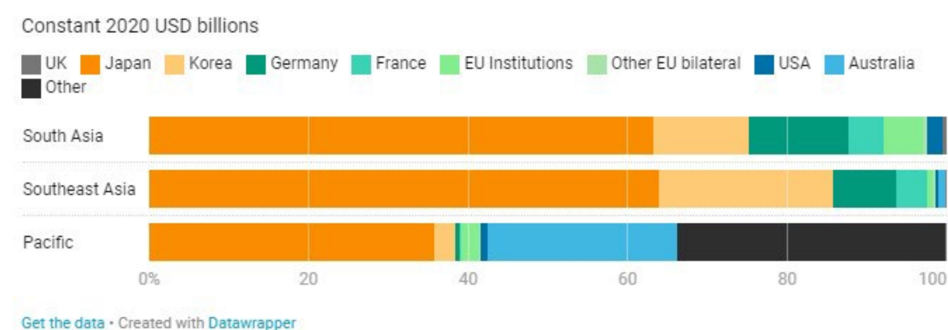
Figure 2a: OECD infrastructure development finance in the Indo-Pacific (Annual average 2015–2019)



Source: Author's calculations, OECD Creditor Reporting System, and Lowy Institute Pacific Aid Map

Even as individual financiers, Germany, France, and the EU institutions each provide far more infrastructure development finance in the region than do Australia, the United States, and the United Kingdom combined. Notably, these patterns generally hold across the three Indo-Pacific subregions, with the exception of Australia's outsized role in the Pacific (Figure 2b).

Figure 2b: OECD infrastructure development finance by Indo-Pacific sub-regions (Annual average 2015–2019)



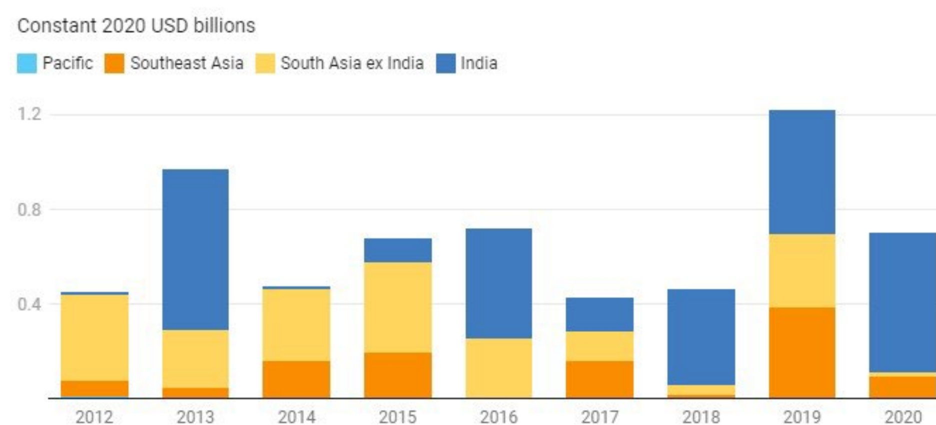
Source: Author's calculations, OECD Creditor Reporting System, and Lowy Institute Pacific Aid Map

In terms of catalysing private investment, OECD governments have recently begun reporting estimates of the amounts mobilised by their activities through so-called "blended finance", whereby public financing instruments are used to leverage-in private financing. Data limitations mean we can only observe the total amount mobilised by OECD bilateral donors as a group for Indo-Pacific infrastructure. Nonetheless, the picture is clear — mobilised private infrastructure financing has to date played a minor role in the Indo-Pacific (Figure 3a). On average during the five years preceding the Covid-19 pandemic, only about US$700 million a year of private infrastructure finance was mobilised by all OECD governments combined. Moreover, with the exception of India, the observed trend in mobilised amounts in the Indo-Pacific is no more promising. This is especially so in the Pacific, where mobilisation and private infrastructure investment more broadly play a particularly limited role due to the region's difficult economic geography.

It is not for want of trying that private finance has played a minor role in financing infrastructure in developing economies. Hopes of translating "billions to trillions" by using public money to leverage-in far greater amounts of private financing have generally come nowhere close to delivering on their scale of ambition.[24] One problem is that the degree of leverage hoped for has always been unrealistic.

Rather than multiples of ten or more, the amount of private infrastructure financing leveraged per dollar of public financing has generally been in the range of 0.8–1.8, and even this likely overestimates the true degree of additionality involved, since some of the private investment "leveraged" might have occurred anyway, even without blended finance support.[25]

Figure 3a: Private infrastructure finance mobilised in Indo-Pacific by OECD donors



Source: Author's calculations and OECD Creditor Reporting System

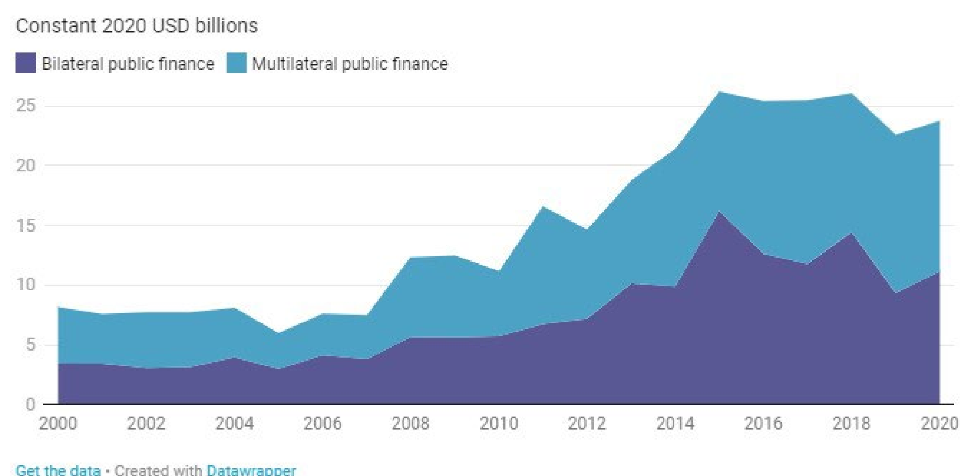
One might hope for a higher leverage ratio in the Indo-Pacific given the presence of many relatively large and more dynamic emerging economies. However, the reality appears similarly limited. The World Bank tracks private participation in infrastructure (PPI) investment in developing economies worldwide. Based on the PPI data, for bilateral blended finance in the Indo-Pacific by OECD members, a basic leverage calculation (i.e., private financing per dollar of bilateral financial support) indicates a ratio of 1.5 over the past decade. Predictably, the ratio in Southeast Asia and India has been higher, at 1.6 and 2.7 respectively, and much lower at 0.7 in the rest of South Asia. It is not possible to estimate a ratio for the Pacific due to data gaps. However, the number of projects is very small, with just US$400 million in identified PPI investment over the past decade in the Pacific, concentrated in information and communications technology and energy, with only a handful involving official bilateral or multilateral financing support.

Rather than the supply of finance, it is the supply of "bankable" projects for private investors that is often the binding constraint. This reflects a well-known litany of issues including poorly prepared projects as well as political and economic risks, corruption, problematic laws and regulations, investment restrictions, limited domestic implementation capacity, low incomes, small markets, and inadequate country knowledge among potential investors.

All combine to limit the availability of bankable projects and undermine the perceived risk-adjusted returns for investors.

By contrast, OECD donors have seen much greater success in using public financing — i.e. official development finance — to lift their infrastructure contribution (Figure 3b). Since the 2008–09 global financial crisis, bilateral official development finance for infrastructure in the Indo-Pacific has risen more than three-fold in inflation-adjusted terms to around US$10 billion a year at present. Most of this increase reflects rising ODA from Japan as well as the rise of Korea as a significant international development financier. Significantly, further scale has also been achieved through a large simultaneous increase in financing from MDBs, principally the ADB and the World Bank, via capital increases and balance sheet reforms that have allowed both banks to greatly expand their activities, especially through non-concessional loans (which nonetheless remain much cheaper than market-based financing).

Figure 3b: Rising infrastructure investment through public sector funding



Source: Author's calculations and OECD Creditor Reporting System

The reason public financing tends to be more successful in mobilising infrastructure investment is relatively straightforward. Infrastructure is predominantly the business of governments, either through ownership or regulation. Indeed, many of the reasons behind a lack of bankable projects for private investors reflect the very same reasons why public sector financing is often better placed to support infrastructure investment, including lower required rates of return, the need for subsidies to reflect public benefits, long investment horizons, and government ownership and/or heavy regulation for economic, social, and political reasons.

In addition, much infrastructure investment cannot easily be projectised in a way conducive to private investment, such as small-scale public capital works (e.g., rural roads or urban walkways) and recurrent infrastructure maintenance spending. Hence, the World Bank estimates that 83% of infrastructure investment in developing economies is in public sector projects, while even for projects involving private participation, the public sector provides an estimated 55% of all financing.[26] These figures also understate the true role of the public sector in infrastructure investment, as they only capture projectised investments.

TOWARDS A MORE COORDINATED INDO-PACIFIC INFRASTRUCTURE AGENDA

Ambitious investment targets have been set. To deliver, Australia, the EU, and other like-minded partners should focus on several core priority areas of action.

First, far more needs to be invested to expand the pool of bankable projects. Ultimately, this is a matter for the governments of Indo-Pacific developing economies themselves, which need to undertake enabling reforms and deliver on an expanded pipeline of well-prepared and viable projects. External development partners can, however, help by providing increased technical assistance, especially for project preparation. Project preparation does not come cheap, typically involving between 2% and 10% of total project costs and on average around 3%.[27] Given an infrastructure financing gap estimated at about US$300 billion a year in 2015 by the ADB, that suggests the Indo-Pacific faces an approximate project preparation financing gap upwards of US$10 billion a year.

As a contribution to this agenda item, Australia and the EU could each review their own project preparation activities, including through both bilateral and multilateral facilities, and then work together to identify gaps, best practices, and the most promising opportunities for expanding the supply of bankable projects.

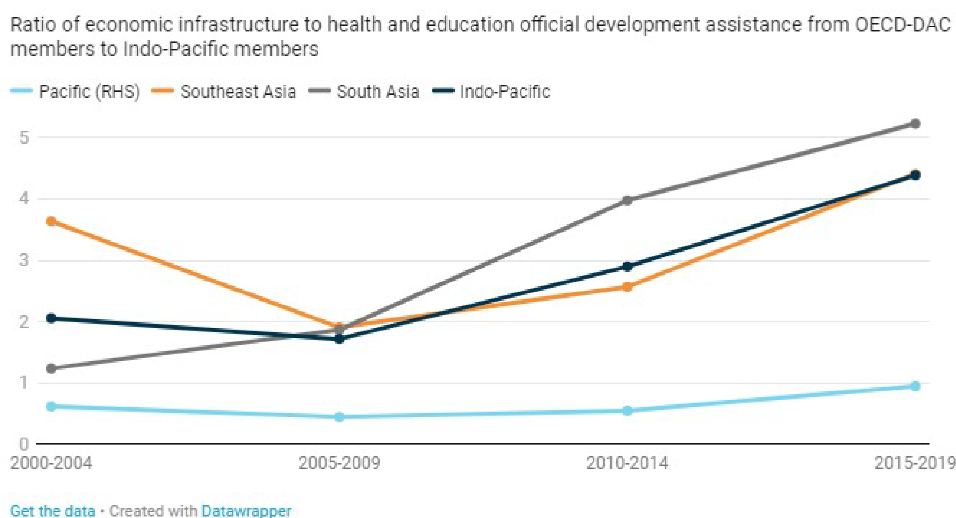
Second, the focus on infrastructure standards needs to shift from the current “high” versus “low” dichotomy to an emphasis on “fit-for-purpose” standards. Existing international standards, particularly the benchmarks set by the MDBs, are generally seen by governments in developing economies as burdensome, risk averse, and too slow. An emphasis on high quality reflects a reasonable desire to ensure adequate economic, environmental, and social standards. There is, however, considerable evidence that these rules and processes are overly strict and inefficient, in both design and practice, and that this is in large part due to the risk-averse political priorities of Western governments.[28] The implications are not good, either in terms of financing enough infrastructure or competing with China — especially if the latter is able to raise its project standards while retaining a relative advantage in speed and responsiveness.

As a contribution under this agenda item, Australia and the EU could work together to review and share lessons on their existing project approval processes, especially environmental and social safeguards, to identify opportunities for improvement.

Third, the overall volume of official development finance needs to be scaled up. Hopes of mobilising significantly greater private infrastructure investment through blended finance will remain wildly unrealistic unless there is a commensurate increase in the amount of public financing available to support it. Funding to expand the pipeline of bankable projects will have to be provided mainly by the public sector. Most fundamentally, greater public investment will remain critical in areas where the private sector is likely to be absent, such as in climate adaptation, small-scale assets, local road networks, and more generally in countries and subnational regions that are less developed.

Merely redirecting a greater share of official development finance towards infrastructure without increasing the overall scale of funds available simply crowds out other equally important development priorities, especially in health and education. For instance, ADB research estimates that Indo-Pacific developing economies face a combined financing gap for education and health of about 5% of GDP, just as large as the estimated gap for infrastructure, inclusive of climate-related requirements.[29] Scarce aid dollars have also been increasingly directed towards infrastructure as opposed to human development. In the Indo-Pacific, more than four dollars of aid is now directed towards economic infrastructure for every one dollar directed towards health and education, with the ratio more than doubling across all subregions compared to the late 2000s (Figure 4).[30] Whereas it is realistic to expect the private sector to finance a material portion of the region's infrastructure needs, financing human development will always be largely reliant on financing by the public sector.

Figure 4: Aid for infrastructure vs human development



Source: Author's calculations and OECD Creditor Reporting System

One obvious solution is to lift overall volumes of aid and other development finance. That applies especially for Australia as well as the United States, where ODA is low at around 0.2% of Gross National Income, compared to about 0.5% in the EU.

Increasing the capital base of the MDBs would go a long way, given the ability of the MDBs to leverage this by borrowing from the market as well as catalysing project-level private investment. The World Bank, for example, currently turns paid-in capital of US$18 billion into US$223 billion in development loans, mobilising 12 dollars of financing for every one dollar of public capital committed.[31] Consideration should also be given to reforms to MDB capital adequacy frameworks that would allow the MDBs to stretch their capital base even further, such as the action plan recently proposed by the G20 independent review.[32] As important MDB shareholders, Australia and Europe should look to consult and coordinate on these potential changes at the MDBs, notably through the World Bank reform process currently underway.[33]

More public capital could also be directed towards bilateral development finance institutions and financing instruments beyond aid. That is especially so in the case of Australia, which stands out as a laggard in this regard compared to other major OECD donors, with limited development financing capabilities especially beyond the Pacific. The Australian government is currently undertaking a review of its development finance capabilities, including consideration of establishing a dedicated Australian Development Finance Institution (DFI). Most other major donor governments already have a DFI. There is a strong case for establishing an Australian DFI.[34] This would in particular provide the capabilities for Australia to once again be an important infrastructure and broader development financier in Asia, where the region's size and rapid growth demand approaches that go well beyond traditional ODA. As the EU and its member states have substantial experience and capabilities in a wide range of development financing instruments, this presents an opportunity for Australia to learn from the European experience.

Finally, given their role as major sizeable infrastructure development financiers in the Indo-Pacific, priority should be given to ensuring the EU, Germany, and France are closely involved in regional coordination mechanisms aimed at financing joint infrastructure projects, for instance by including them in the trilateral partnership that currently exists between Australia, Japan, and the United States for this purpose, or other similar arrangements.

NOTES

Cover image: (Pop & Zebra/Unsplash)

[1] Australian Government, Joint Press Release EU–Australia Joint Committee, Department of Foreign Affairs and Trade, Departmental Release, 19 October 2020, https://www.dfat.gov.au/news/media-release/joint-press-release-eu-australia-joint-committee.

[2] *Global Economic Prospects, January 2023*, The World Bank (Washington, DC: The World Bank, 2023), https://www.worldbank.org/en/publication/global-economic-prospects.

[3] Although there are questions about how much financing China actually delivers, the amount does not appear to be markedly different from the average for OECD donors. For instance, according to World Bank international debt statistics, the ratio of disbursements to commitments for Chinese bilateral loans was about 60% over 2013–2017 compared to 64% for infrastructure official development assistance (ODA) from OECD donors over the same period, using OECD statistics.

[4] "China Reckons with its First Overseas Debt Crisis", *Financial Times*, 20 July 2022, https://www.ft.com/content/ccbe2b80-0c3e-4d58-a182-8728b443df9a.

[5] According to World Bank data, which only captures a subset of China's overseas development finance, bilateral Chinese loan disbursements to Bangladesh, Indonesia, and the Philippines roughly tripled from about US$1 billion in 2017 to US$3 billion in 2021.

[6] Anthea Mulakala, "China's Global Development Initiative: Soft Power Play or Serious Commitment?", DevPolicy Blog, 18 October 2022, https://devpolicy.org/chinas-gdi-soft-power-play-or-serious-commitment-20221018/.

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[12] "World Risk Report 2022 — Focus: Digitalization", Relief Web, 8 September 2022, https://reliefweb.int/report/world/worldriskreport-2022-focus-digitalization.

[13] Barbara Neumann et al, "Future Coastal Population Growth and Exposure to Sea-Level Rise and Coastal Flooding — A Global Assessment", *PLOS ONE* 10(3), 11 March 2015, https://core.ac.uk/download/pdf/37025449.pdf.

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