

## **Guiding Principles on Financing the Development of the Belt and Road**

The Belt and Road Initiative aims to promote policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people exchange among the countries along the Belt and Road (hereinafter referred to as “countries involved”), promote orderly and free flows of economic factors, efficient allocation of resources and deep integration of markets, and jointly create an open, inclusive, and balanced regional economic cooperation framework that benefits all. Financial Integration is an important underpinning for implementing the Belt and Road Initiative. Therefore, we, Finance Ministers of Argentina, Belarus, Cambodia, Chile, China, Czech, Ethiopia, Fiji, Georgia, Greece, Hungary, Indonesia, Iran, Kenya, Laos, Malaysia, Mongolia, Myanmar, Pakistan, Qatar, Russia, Serbia, Sudan, Switzerland, Thailand, Turkey, United Kingdom, call upon the governments, financial institutions and companies from countries involved to follow the principles of equal-footed participation, mutual benefits and risk sharing as they work together to build a long-term, stable, sustainable financing system that is well-placed to manage risks.

1. We recognize that strong support from governments is essential for building an enabling financing system and environment. As such, governments of countries involved should strengthen policy communication, consolidate cooperation intention, and jointly send a positive signal of supporting and financing the development of the Belt and Road.

2. We encourage countries along the routes to establish common platform(s) whereby countries in the region, while forging synergies of their development strategies and investment plans, map out strategies or plans for regional infrastructure development, formulate principles for identifying and prioritizing major projects, coordinate their supporting policies and financing arrangements, and share experiences on implementation.

3. We support channeling of financial resources to serve the real economy of countries and regions involved, with priority given to such areas as infrastructure connectivity, trade and investment, industrial capacity cooperation, energy and energy efficiency, natural resources and SMEs.

4. We reaffirm the important role of infrastructure in sustainable economic and social development. We encourage countries involved to open public service markets as appropriate, while maintaining a sound and stable legal, policy and regulatory framework and develop public-private partnerships to channel funds and improve the efficiency and quality of infrastructure supply. We encourage the interested parties to establish effective information flow between private sector and financial institutions which support sustainable development through financing infrastructure investments.

5. We value the guiding role of public funds in planning and building major projects. We will continue to utilize existing public funding channels such as inter-governmental cooperation funds and foreign assistance funds, and coordinate with other funding channels to support the development of the Belt and Road, including strengthening cooperation in people's welfare, people-to-people exchange among relevant countries and regions.

6. We encourage policy financial institutions and export credit agencies of countries involved to continue offering policy financial support for the development of the Belt and Road. We also encourage these institutions to strengthen coordination and cooperation, and play their role in financing promotion and risk-sharing through various means such as loan, guaranty, equity investment, co-financing, etc.

7. We call upon development financial institutions to consider providing more financial support and technical assistance for countries involved. We encourage multilateral development banks and national development financial institutions to actively participate in the development of the Belt and Road within their mandates, particularly cross-border infrastructure construction through loan, equity investment, guaranty, co-financing, and other relevant financing channels. We support

these institutions in strengthening of coordination and collaboration to provide sustainable financing, institutional know-how and consulting services to countries involved.

8. We recognize the decisive role of the market in financial resources allocation. We envisage all types of commercial financial institutions such as commercial banks, equity funds as well as insurance, leasing, guarantee companies to provide funds and other financial services for the development of the Belt and Road. We welcome proactive participation of long-term institutional investors such as pension funds and sovereign wealth funds, in particular in the area of infrastructure development, as appropriate and subject to their institutional arrangements.

9. We support further development of local and regional financial markets. We welcome the development of local currency bond markets and equity markets in countries involved to diversify long-term financing sources and reduce currency mismatch risks.

10. We support orderly opening-up of local and regional financial markets, while respecting the international obligations of the countries involved, if any. We encourage steady expansion of market access of banking, insurance and securities sectors as appropriate to national circumstances, support financial institutions to set up subsidiaries and/or branches in each other's countries, and further facilitate the application and approval for the establishment of financial institutions, in accordance with domestic law and regulations of host countries.

11. We encourage financial innovation that responds to the needs of funding the development of the Belt and Road and to the needs of countries involved. We support the innovation by financial institutions in terms of financing models, channels, tools and service under the precondition that risks are well managed.

12. We call upon the countries involved to deepen cooperation in financial regulation and strengthen coordination on cross-border supervision, in order to create a fair, efficient and stable regulatory environment for financial institutions, while respecting the international obligations of the countries involved, if any.

13. We advocate for a transparent, friendly, non-discriminatory and predictable financing environment. We support greater openness to FDI as appropriate, speeding up trade and investment facilitation where needed, and opposing trade and investment protectionism of all forms. We advocate for fair, equitable, open and efficient legal systems, as well as mutual-beneficial and investor-friendly taxation regimes. We support the settlement of debt and investment disputes in a fair, lawful and reasonable way to effectively protect the legitimate rights and interests of creditors and investors.

14. We underscore the need to strengthen social and environmental impact assessment and risk management of projects, improve cooperation on energy conservation and environmental protection, fulfill social responsibilities, promote local employment and ensure sustainable economic and social development. We also need to take into account debt sustainability in mobilizing finance.

15. We recognize that financing arrangements for the development of the Belt and Road should benefit all businesses and populations in a way that supports sustainable and inclusive development. Financing should also be provided for enhancing technological capabilities, skills development, job creation particularly for the youth and women. We vigorously support efforts to promote inclusive finance, encourage governments, policy financial institutions, development finance institutions and commercial financial institutions to strengthen cooperation to ensure access to financial information and services for all, and provide proper, stable and affordable financial services for SMEs.