

<https://www.brookings.edu/blog/order-from-chaos/2020/10/27/a-list-of-specific-actionable-foreign-policy-ideas-for-the-next-president/>

As an avenue of constructive cooperation to help stabilize the rocky U.S.-China relationship and enhance the U.S. economic presence in Asia, the United States should join the China-initiated Asian Infrastructure Investment Bank ([AIIB](#)). The AIIB, whose 103 members include U.S. allies in Asia and Europe, adopted and is improving [governance standards](#) that generally comport with internationally-recognized norms practiced by the traditional multilateral development banks (MDBs). Two former U.S. government officials currently serve on its [International Advisory Panel](#). Since opening its doors in January 2016, the AIIB is helping to fill a [\\$26 trillion gap](#) in much-needed infrastructure in Asia through 2030. A modest player to date, it is cautiously expanding its lending portfolio, often in conjunction with other MDBs, as it gains experience.

AIIB membership would afford an additional platform for the U.S. to engage with China to strengthen infrastructure governance standards and enhance transparency for AIIB-financed projects and more broadly, including under its Belt and Road Initiative ([BRI](#)). The BRI, [decentralized](#) and entrepreneurial to date, has been prominently funded by opaque Chinese policy and commercial banks – not the AIIB -- with inadequate attention to financial, social and environmental sustainability.

Both Chinese-led initiatives have helped spur welcome international efforts-- and healthy competition -- to address the infrastructure funding gap. The [European Union](#), [Japan](#), and other international donors have enhanced high quality infrastructure-driven programs and many are now collaborating on qualified BRI projects, even though not BRI “members.” The U.S. in 2019 established the International Development Finance Corporation ([DFC](#)) in 2019 in part to [counter China’s BRI](#) and now claims [over 800 projects](#), and announced the [Blue Dot Network](#) that, together with Australia and Japan, certifies high-standard infrastructure projects to facilitate financing.

All these efforts bring additional capital and international expertise to help provide sustainable infrastructure to spur economic development and political stability around the globe. They also afford opportunities for American businesses to supply engineering, design, and other project-related services and equipment, and for American NGOs to assist project host countries to improve governance to better manage foreign-involved development projects. [China’s leadership has committed](#) to upgrade and multi-lateralize the BRI to meet international and partner country complaints concerning sustainability, transparency and governance, as well as to welcome more private sector funding and project participation. U.S. cooperation with China on qualified projects financed through the AIIB or a better governed BRI would further expand U.S. business opportunities.

With China’s slowing economy, focus on controlling fiscal risks at home and abroad, and sensitivity to international skepticism even among some BRI partners, an overture by the U.S. to cooperate with China through AIIB membership, and potential collaboration with an upgraded BRI on qualified projects, would help steady the U.S.-China relationship; signal Asian and other countries they need not choose between working with either the U.S. or China on beneficial

projects; help address the [global infrastructure gap](#); improve global infrastructure governance; and create more opportunities for private American participation.