

Build Back Better World (B3W) initiative of G7

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In news

Recently, G7 countries launched the B3W initiative in the 47th summit of G7 to counter the Belt and Road initiative of China.

About Build Back Better World (B3W) initiative

- It was launched by a group of seven countries(G7) in June 2021.
- **Aim:** To address the infrastructure investment deficit in developing and lower income countries, the space which has been increasingly captured by China through its BRI projects.
- The initiative also aims to **catalyze funding for quality infrastructure from the private sector and will encourage private-sector investments that support climate, health and health security**, digital technology, and gender equity and equality.
- Led by the United States, the G7 countries will work to address the \$40 trillion worth of infrastructure needed by developing countries by 2035.
- The **B3W efforts are in line with the standards and principles of the Blue Dot Network**, relating to the environment and climate, labor and social safeguards, financing, construction, anti corruption, and other areas.
- Through B3W, the G7 and other like-minded partners will coordinate in mobilizing private-sector capital in four areas of focus—climate, health and health security, digital technology, and gender equity and equality with catalytic investments from our respective development finance institutions.

- B3W will be global in scope, from Latin America and the Caribbean to Africa to the Indo-Pacific.

The guiding principles of B3W are:

- Values-Driven.
- Good Governance and Strong Standards.
- Climate-Friendly.
- Strong Strategic Partnerships.
- Mobilize Private Capital Through Development Finance.
- Enhancing the Impact of Multilateral Public Finance.

About Belt and Road Initiative (BRI) (one Belt One Road)

- BRI is a global infrastructure development strategy adopted by the Chinese government in 2013 to invest in nearly 70 countries and international organizations.
- It involves development and investment initiatives that would stretch from Asia to Europe and beyond.
- More than 100 countries have signed agreements with China to cooperate in BRI projects like railways, ports, highways and other infrastructure.
- The BRI projects broadly aim to facilitate cross-border transportation of goods, access to energy, creating demand for existing excess capacity in Chinese industries.
- Since the inception of the BRI in 2013, outward investment by Beijing has been aggressive as China's FDI outflow to inflow ratio increased to 1 from around 0.34 during 2001-10.
- The project has a target completion date of 2049.

G7 countries

- It is an inter-governmental political forum.
- Members of the G7 are – the United States, Canada, Britain, Germany, Italy, France and Japan.
- Its members are the world's advanced economies and wealthiest liberal democracies.

- The group is officially organized around shared values of pluralism and representative government.
- It Originated from an *ad hoc* gathering of finance ministers in 1973.
- The G7 is not based on a treaty and has no permanent secretariat or office; its presidency rotates annually among the member states, with the presiding nation setting the group's priorities, and hosting and organizing its summit.

Blue Dot Network

- Led by the US's International Development Finance Corporation (DFC), the Blue Dot network was jointly launched by the US, Japan (Japanese Bank for International Cooperation) and Australia (Department of Foreign Affairs and Trade) in November 2019 on the sidelines of the 35th ASEAN Summit in Thailand
- It is meant to be a multi-stakeholder initiative that aims to bring governments, the private sector and civil society together to promote "high quality, trusted standards for global infrastructure development".
- On 25 February 2020, the Blue Dot Network is incorporated in the India-U.S. Comprehensive Global Strategic Partnership Joint Statement.