CHINA'S BELT AND ROAD INITIATIVE AND COVID-19'S IMPACT ON DEBT VULNERABILITY

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I. Overview

Established in 2013, China's "Belt and Road Initiative" has caused major concern in the international community regarding its impact on the economies of many of the countries involved in the project, as well as the extreme amount of debt owed. That concern has only increased after several of the countries involved in the project were obligated to relinquish key pieces of infrastructure to China in order to settle their debt. And even more so with the aftermath of the COVID-19 Pandemic in 2020, which left the international community in a financial tailspin.

This article, first, provides a brief history of the Belt and Road Initiative, its inception and its global impact. Second, it defines debt vulnerability and how it is measured by the international community. Third, it examines the Belt and Road Initiative and China's role in either increasing or decreasing debt vulnerability for many of the countries involved in the project. Next, the article explores the effects of the COVID-19 pandemic, its negative impact on the world's economies, and the role it has played in debt vulnerability across the board. The paper then analyzes the debt vulnerability of three specific countries involved in the Belt and Road Initiative: Djibouti; Kyrgyz; and Lao People's Democratic Republic. It focuses on how the Belt and Road Initiative, as well as the COVID-19 pandemic, have made these three countries

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even more vulnerable to debt. Finally, the paper provides recommendations on how the international community should address debt vulnerability pertaining to the Belt and Road Initiative and COVID-19. It analyzes these recommendations using the three countries as examples to show how the debt vulnerabilities of each, can provide for change in future debt agreements with China.

II. A Brief History of the Belt and Road Initiative

Established in 2013, China's "Belt and Road Initiative" (hereinafter BRI) was founded by President Xi Jinping in an attempt to create a second "Silk Road" or an economic belt that links China to East Asia and Europe.[2]

> The BRI comprises a Silk Road Economic Belt – a trans-continental passage that links China with Southeast Asia, south Asia, Central Asia, Russia and Europe by land – and a 21st century Maritime Silk Road, a sea route connecting China's coastal regions with southeast and south Asia, the South Pacific, the Middle East and Eastern Africa, all the way through Europe.[3]

The BRI has grown exponentially in the past seven years. According to the European Bank for Reconstruction and Redevelopment, there are five major priorities which define the rationale for the implementation of the BRI: policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and connecting people."[4]

As of March 2020, 138 countries across all continents are a part of the BRI. The breakdown of the different countries is as follows: 38 countries in Sub-Saharan Africa; 34 in Europe and Central Asia, of which 18 are part of the European Union; 24 countries in East Asia

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[2] ANDREW CHATZKY & JAMES MCBRIDE, CHINA'S MASSIVE BELT AND ROAD INITIATIVE COUNCIL ON FOREIGN RELATIONS (2020), https://www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative (last visited Dec 20, 2020).
[3] BELT AND ROAD INITIATIVE (BRI), EBRD.COM (2020), https://www.ebrd.com/what-we-do/belt-and-road/overview.html (last visited Dec 20, 2020).
[4] *Id.*

and the Pacific; 17 countries in the Middle East and North Africa; 18 countries in Latin America and the Caribbean; and 6 countries in Southeast Asia.[5]

Three policy banks in China oversee lending for the BRI: the China Development Bank, the Export-Import Bank of China and the Agricultural Development Bank of China. According to reports, the Export-Import Bank of China claims that since 2006, it has loaned US$149 billion for more than 1,800 development projects; China Development claims to have loaned more than US$190 billion for 600 development projects in the same time span.[6] In the first six months of 2020, overall investments for the Initiative totaled US$23.4 billion, a decrease of 50 percent from the first six months in 2019.[7]

In theory, these multilateral debt agreements are meant not only to enhance transportation and trade amongst the different continents, but also to increase the gross domestic product of the participating countries, all while expanding China's global influence. The ways in which that influence expands, specifically for countries that already suffer from debt vulnerability, is discussed, *infra*.

III. The Implications of the Belt and Road Initiative on Debt Vulnerability

Debt vulnerability is a leading topic of global development agencies, including the World Bank and the International Monetary Fund (hereinafter IMF.) As one of the many tools to help State leaders develop sound debt practices, the World Bank and the IMF jointly created a

[5] CHRISTOPH WANG, COUNTRIES OF THE BELT AND ROAD INITIATIVE (BRI) – GREEN BELT AND ROAD INITIATIVE CENTER GREEN-BRI.ORG (2020), https://green-bri.org/countries-of-the-belt-and-road-initiative-bri?cookie-state-change=1609071621795 (last visited Dec 20, 2020).

[6] WEIZHEN TAN, CHINA'S LOANS TO OTHER COUNTRIES ARE CAUSING 'HIDDEN' DEBT. THAT MAY BE A PROBLEM, CNBC (2019), https://www.cnbc.com/2019/06/12/chinas-loans-causing-hidden-debt-risk-to-economies.html (last visited Dec 20, 2020).

[7] WANG, *supra* note 4.

framework entitled: "An Interactive Guide on Debt Sustainability Framework for Low Income Countries."[8] Policy workers from any country can use the "[I]nteractive study materials to help assess the risk of debt distress and understand debt related vulnerabilities in countries that have significant shares of concessional debt."[9]

It is important to note that "The Guide applies to countries that have substantially long-maturity debt with terms that are below market terms (concessional debt), or to countries that are eligible for the World Bank's International Development Association (IDA) grants."[10] Throughout the ten-step process, the interactive study "[A]ssesses countries based on their debt carrying capacity, estimates the threshold levels for select debt burden indicators, evaluates baseline projections and stress test scenarios relative to these thresholds and combines indicative rules and judgements to assign ratings for risk of debt distress."[11] This tool is helpful for officials in States that engage with China on the BRI to assess their own debt sustainability.

In 2018, there was some controversy surrounding the debt implications States face after signing on for projects in the BRI; they are required to conduct business with Chinese financial institutions. The BRI gives developing countries the ability to finance the expansion of their infrastructure and thereby broaden their economic power. However, the terms of these multilateral and bilateral loans provided by Chinese creditors are politically linked to the Chinese government. These unilateral and bilateral agreements make up over 70 percent of all external debt in the countries that are a part of the Initiative.[12] Notably, the terms of the loans also are not

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[8] DEBT SUSTAINABILITY ANALYSIS LOW-INCOME COUNTRIES, (2020), https://www.imf.org/external/pubs/ft/dsa/lic.aspx (last visited Dec 20, 2020).
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] LUCA BANDIERA & VASILEIOS TSIROPOULOS, A FRAMEWORK TO ASSESS DEBT SUSTAINABILITY AND FISCAL RISKS UNDER THE BELT AND ROAD INITIATIVE 33 (2019), http://documents1.worldbank.org/curated/en/723671560782662349/pdf/A-Framework-to-Assess-Debt-Sustainability-and-Fiscal-Risks-under-the-Belt-and-Road-Initiative.pdf (last visited Dec 20, 2020).

available to the general public and the international community at large.[13] Studies show that the massive lending on China's part to sovereign countries could, in fact, put some of the countries at risk of debt distress.[14]

The Center for Global Development published a study entitled "Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective." According to their findings, 23 countries involved in the BRI are at risk of debt distress; those 23, 8 are especially vulnerable to issues in their debt sustainability. Those eight countries are: Djibouti, the Maldives, Lao People's Democratic Republic, Montenegro, Tajikistan, Kyrgyz Republic, and Pakistan.[15]

In response to this criticism, the Ministry of Finance (hereinafter MOF) of the People's Republic of China acknowledged that debt vulnerability in States involved in the BRI is of major concern. In April 2019, the MOF published the "Debt Sustainability Framework for Participating Countries of the Belt and Road Initiative."[16] Based largely on the Debt Sustainability Framework by the World Bank and the IMF, the MOF aims to make the framework a vital tool in the lending decisions for countries that wish to be a part of the BRI.

Following this, the World Bank and the IMF created a framework entitled "A Framework to Assess Debt Sustainability and Fiscal Risks Under the Belt and Road Initiative."[17] Published in June 2019, the conclusions of the Framework are that in the medium term (the years 2019-2023), 28 percent of countries that receive investments from the BRI are at risk of debt vulnerability. Countries at risk include seven low income developing countries and five

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[13] *Id.*
[14] JOHN HURLEY, SCOTT MORRIS & GAILYN PORETLANCE, EXAMINING THE DEBT IMPLICATIONS OF THE BELT AND ROAD INITIATIVE FROM A POLICY PERSPECTIVE (2018), https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf (last visited Dec 20, 2020).
[15] *Id.*
[16] DEBT SUSTAINABILITY FRAMEWORK FOR PARTICIPATING COUNTRIES OF THE BELT AND ROAD INITIATIVE, (2019), http://m.mof.gov.cn/czxw/201904/P020190425513990982189.pdf (last visited Dec 20, 2020).
[17] BANDIERA, *supra* note 11.

emerging markets.[18] In the long term, 37 percent, or 11 out of 30 countries receiving investments "are likely to see an increase in debt-to-GDP ratio as a result of BRI investment financing and 8 among them would be vulnerable to changes in the cost of financing."[19] Importantly, most of the countries identified in the study already have a high degree of debt vulnerability.

One of the limitations of the framework is that it focuses on the available data for only 50 countries that are involved in the BRI, even though as of March 2020, there are 138 countries signed on. It is also important to note, the assessments on the debt sustainability of specific countries also lack information on the direct investments and finance terms of the agreements between China and the respective countries. The framework used as much data as was available but the use of data that concerns specific countries would certainly increase the validity and predictability of the framework. Despite these drawbacks, this framework is a great starting point to understanding the drawbacks of the BRI, as well as the debt sustainability in the medium term and long term.

IV. The Effects of Covid-19 on Debt Vulnerability

In 2020, the COVID-19 global pandemic caused an economic toll around the world. In April of 2020, the World Bank estimated that the COVID-19 pandemic would push between 40 and 60 million people into extreme poverty, in accordance with the poverty line of $1.90 per day. The most impacted individuals are those residing in middle income countries. [20]

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[18] *Id.*
[19] *Id.* at 33
[20] DANIEL GERZSON MAHLER, UPDATED ESTIMATES OF THE IMPACT OF COVID-19 ON GLOBAL POVERTY, DATA BLOG (2020), https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty (last visited Dec 20, 2020).

Many of the countries taking part in the BRI rely heavily on international investment into infrastructure.[21] With the aftermath of the virus, including mandatory lockdowns of cities all around the world, the need for physical infrastructure is declining, while the need for digital resources and artificial intelligence (AI) has increased.[22] The physical labor demanded to create infrastructure has also been impacted, and thereby the timelines for their completion will be extended. All these factors collectively will inevitably cause a financial strain on the most debt vulnerable countries.

The World Bank and the IMF called the Group of 20 (G20) to action.[23] The G20 consists of 19 countries and the European Union. The G20 allow countries that are a part of the International Development Association eligibility for forbearance for their loan debt beginning in May 2020 through the end of the year. Yet this forbearance only solves a small portion of the problem.[24]

Forbearance only applies to loans secured by the IMF, not the loans secured by the China Development Bank, the Export-Import Bank of China, and the Agricultural Development Bank of China. If countries have a substantial amount of loans with these three major Chinese lenders, the path forward is not so clear.

So, what will the COVID-19 pandemic mean for the most debt vulnerable countries part of the BRI? It cannot be determined what the actual implications will be. As stated previously, the loan agreements between the countries that are a part of the BRI and financed through

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[21] PETER J. BUCKLEY, *CHINA'S BELT AND ROAD INITIATIVE AND THE COVID-19 CRISIS*, 3 JOURNAL OF INTERNATIONAL BUSINESS POLICY 311-314 (2020), https://link.springer.com/article/10.1057/s42214-020-00063-9.
[22] *Id.*
[23] EVIS RUCAJ, UNDERSTANDING GLOBAL DEBT: RELIEVING THE COVID-19 IMPACT ON THE MOST VULNERABLE DATA BLOG (2020), https://blogs.worldbank.org/opendata/understanding-global-debt-relieving-covid-19-impact-most-vulnerable (last visited Dec 20, 2020).
[24] *Id.*

Chinese financial institutions are elusive. There is no clear understanding if there are measures for debt suspension.

However, if history is any indication, it could mean the aftermath of the COVID-19 pandemic could cause countries to default on loans and lose key infrastructure. For example, in 2017, when Sri Lanka defaulted on their loans to expand the Hambantota port as part of the BRI, China physically took over the port under a 99-year lease.[25] Because the debt burden of these countries is difficult to analyze, it is inherently difficult to predict what the effects of the COVID-19 pandemic will be, and whether these agreements provide safeguards against defaulting of loans.

V. Debt Analysis of Three Countries Involved in the Belt and Road Initiative

This paper will focus on three of the eight countries involved in the BRI that were identified as the most debt vulnerable by the Center for Global Development: Djibouti; Kyrgyz Republic, and Lao People's Democratic Republic.[26] Below I will discuss each country's individual debt analysis according to the IMF's Debt Sustainability Analysis for Low-Income Countries,[27] as well as the potential implications of COVID-19 on their BRI agreements.

A. Debt Analysis of Djibouti

In 2013, Djibouti entered into an agreement to build an Ethiopia-Djibouti Railway for the BRI. It received financing from the Export-Import Bank of China for $492 million dollars in order to cover their portion of building the railway. Djibouti also received another loan totaling

[25] IN SRI LANKA, CHINA'S BUILDING SPREE IS RAISING QUESTIONS ABOUT SOVEREIGNTY, NPR.ORG (2020), https://www.npr.org/2019/12/13/784084567/in-sri-lanka-chinas-building-spree-is-raising-questions-about-sovereignty (last visited Dec 20, 2020). *See also* BANDIERA, *supra* note 11.
[26] HURLEY, *supra* note 13.
[27] S*upra* note 7.

$322 million from the Export-Import Bank to fund a water pipeline project between Ethiopia and Djibouti. [28] This brings their total debt to the Export-Import Bank to a grand total of $814 million.

In 2019, when the loans would go into repayment, it was estimated that the combined payments due would be well over $100 million, totaling over 14 percent of the country's budget.[29] Unable to sustain this payment schedule, the government sought to renegotiate the terms of the agreement with the Export-Import Bank of China. They reached an agreement to restructure its railway loan and any arrears, but it was not finalized.[30] It is unknown if the water pipeline loan is in repayment.[31]

The latest debt sustainability analysis for Djibouti comes from the IMF's report published on May 4, 2020, entitled "Djibouti: Debt Sustainability Analysis; IMF Country Report No. 20/159; May 4, 2020." [32] In May 2020, after it was hit hard by the COVID-19 pandemic and global lockdown, the IMF approved an emergency relief package of $43.1 million to the State of Djibouti.

The swift and aggressive response from the government to contain COVID-19, as well as the global economic impact, negatively impacted the country's economy. According to prior IMF and World Bank analysis, Djibouti was already at a high risk of debt distress, but it was

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[28]THIERRY PAIRAULT, DJIBOUTI'S CHINESE DEBT, THE CHINA AFRICA PROJECT (2020), https://chinaafricaproject.com/analysis/djiboutis-chinese-debt/ (last visited Dec 20, 2020).
[29]*Id.*
[30]*Id.*
[31]*Id.*
[32] DJIBOUTI REQUESTS FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY AND DEBT RELIEF UNDER THE CATASTROPHE CONTAINMENT AND RELIEF TRUST, (2020), https://www.imf.org/external/pubs/ft/dsa/pdf/2020/dsacr20159.pdf (last visited Dec 20, 2020).

sustainable, provided that it receives grant aid and that the agreement reached with the Export-Import Bank of China to restructure its loan agreement is finalized.[33]

B. **Debt Analysis of Kyrgyz Republic**

Kyrgyz Republic and China share a land border which puts it in an advantageous position to reap the benefits of the BRI. China has invested over $2 billion into infrastructure projects in Kyrgyz Republic.[34] China is the largest source of foreign investment in the region and has invested strategically into a road project which will link Central Asia to China, West Africa and Europe. [35] It has also invested into an energy project, as well as a gas pipeline network. [36]

Most of the capital for all these projects came as an influx of foreign debt to the Export-Import Bank of China. "As of end-2017, China was the main creditor of the Government of the Kyrgyz Republic; the debt Eximbank made up 42% of total government external debt or 42 % of total government external debt or 24% of GDP."[37] The grace period for repayment of these loans ranges between 5-11 years and they are not currently in repayment.[38]

Kyrgyz Republic was labeled number 42 out of the 50 worst hit countries in the world by COVID-19, with infections rising rapidly.[39] In April 2020, Kyrgyz Republic received over $12 million dollars in emergency funding from the World Bank to mitigate the effects of the COVID-19 pandemic.[40] The regional economy of Central Asia has been heavily impacted. Estimates state

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[33]*Id.* at 6.
[34]ROMAN MOGILEVSKII, KYRGYZSTAN AND THE BELT AND ROAD INITIATIVE (2019), https://www.uca.int/Content/Downloads/UCA-IPPA-WP50_Kyrgyzstan%20and%20Belt%20Road%20Initiative_ENG.pdf (last visited Dec 20, 2020).
[35]*Id.* at 10.
[36]*Id.* at 9.
[37]KYRGYZ REPUBLIC REQUEST FOR PURCHASE UNDER THE RAPID FINANCING INSTRUMENT AND DISBURSEMENT UNDER THE RAPID CREDIT FACILITY-DEBT SUSTAINABILITY ANALYSIS, (2020), https://www.imf.org/external/pubs/ft/dsa/pdf/2020/dsacr2090.pdf (last visited Dec 20, 2020).
[38] *Id.*
[39]COVID-19 CRISIS RESPONSE IN CENTRAL ASIA, (2020), https://read.oecd-ilibrary.org/view/?ref=129_129634-ujyjsqu30i&title=COVID-19-crisis-response-in-central-asia (last visited Dec 20, 2020).
[40] THE WORLD BANK IN THE KYRGYZ REPUBLIC OVERVIEW, WORLD BANK (2020), https://www.worldbank.org/en/country/kyrgyzrepublic/overview#4 (last visited Dec 20, 2020).

that Kyrgyz Republic will have a contraction of 12.6 percent.[41] The amount of money Kyrgyz Republic will pay in debt servicing will increase by almost $100 million, with a large portion of that amount to go to the Export-Import Bank. Since the COVID-19 pandemic, the country's budget has suffered, and they have requested forbearance on the loans.[42]

C. Debt Analysis of Lao People's Democratic Republic

According to the IMF's International Development Association, in 2015, Lao People's Republic's debt distress level went from moderate, to high due to increased external borrowing.[43] The majority of said borrowing comes from Chinese financial institutions for the BRI's Lao-China Railway. The Lao-China Railway would connect China to Southeast Asia and the total cost is estimated at $6 billion. China is responsible for 70 percent of the cost, while Lao is responsible for the other 30 percent.[44] Those funds come in the form of debt to the tune of $480 million from Chinese financial institutions.[45]

The COVID-19 pandemic has detrimentally impacted Lao and its projected economic growth. Due to global lockdowns, major industries in Lao, such as tourism and trade have been negatively impacted. Loa's economic growth is estimated to be between negative 1.8 percent and 1 percent.[46] Because of the detrimental impact of COVID-19 on the economy, debt levels are

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[41] *Id.*
[42] COVID AND THE NEW DEBT DYNAMICS OF KYRGYZSTAN AND TAJIKISTAN, EURASIANET (2020), https://eurasianet.org/covid-and-the-new-debt-dynamics-of-kyrgyzstan-and-tajikistan (last visited Dec 20, 2020).
[43] LAO PEOPLE'S DEMOCRATIC REPUBLIC STAFF REPORT FOR THE 2016 ARTICLE IV CONSULTATION- DEBT SUSTAINABILITY ANALYSIS, (2020), https://www.imf.org/external/pubs/ft/dsa/pdf/2017/dsacr1753.pdf (last visited Dec 20, 2020).

[44] IN LAOS, A CHINESE-FUNDED RAILWAY SPARKS HOPE FOR GROWTH — AND FEARS OF DEBT, NPR.ORG (2019), https://www.npr.org/2019/04/26/707091267/in-laos-a-chinese-funded-railway-sparks-hope-for-growth-and-fears-of-debt (last visited Dec 20, 2020).
[45] LAO PEOPLE'S DEMOCRATIC REPUBLIC STAFF REPORT FOR THE 2016 ARTICLE IV CONSULTATION- DEBT SUSTAINABILITY ANALYSIS, 6 (2020), https://www.imf.org/external/pubs/ft/dsa/pdf/2017/dsacr1753.pdf (last visited Dec 20, 2020).
[46] LAO PDR ECONOMIC MONITOR LAO PDR IN THE TIME OF COVID-19, (2020), http://pubdocs.worldbank.org/en/962271591369090988/Lao-Economic-Monitor-June-2020-final.pdf (last visited Dec 20, 2020).

expected to increase from 59 percent gross domestic product in 2019, to between 65 and 69 percent in 2020.[47]

VI. Final Analysis and Recommendations

The debt analysis of Djibouti, Kyrgyz Republic and Lao People's Democratic Republic showcase just how dangerous debt vulnerability can be for governments and more importantly their citizens. The MOF created a framework which is meant to serve as a tool to help countries understand the dynamics of accruing debt to finance a project that is part of the BRI.

One of the major drawbacks of the Debt Sustainability Framework is that, although it gives vital information and helps countries to understand the implications of the agreements, it is still simply a tool. It is not binding on either party.[48]

The Chinese financial institutions in charge of lending to these vulnerable countries are largely backed by the Chinese government. Therefore, there is a likelihood that these institutions will look out for the best interests of China, and not those of the already vulnerable countries with which they wish to partner. The financial backing by Chinese financial institutions also means that the governments of already vulnerable countries are free to ignore the warnings altogether, in the hopes that they will reap the financial benefits from partnering with China on the BRI.

To balance these interests between vulnerable countries and a powerful donor, one recommendation is to hold both Chinese financial institutions and any prospective country

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[47] *Id.*
[48] CHINA'S NEW DEBT SUSTAINABILITY FRAMEWORK IS LARGELY BORROWED FROM THE WORLD BANK AND IMF. HERE'S WHY THAT COULD BE A PROBLEM., CENTER FOR GLOBAL DEVELOPMENT (2019), https://www.cgdev.org/blog/chinas-new-debt-sustainability-framework-largely-borrowed-world-bank-and-imf-heres-why-could (last visited Dec 20, 2020).

accountable to not only utilize this framework, but also to abide by the outcome of the analysis while using the framework, whether it is beneficial to one party or the other.

A second recommendation is that the MOF of the People's Republic of China, as well as the IMF and the World Bank expand their framework to include the world events of 2020. The COVID-19 pandemic has impacted almost every single country worldwide; to not include the pandemic's detrimental impacts on a country's economy within the BRI framework, is short sighted. Once the economic ramifications of the global pandemic are a recognized part of the framework, then countries will have a tool that provides a much clearer picture of where they stand today and in the near future.

My third recommendation is that any country, particularly one that has been flagged by the IMF or the World Bank as vulnerable to debt, utilizes both frameworks available and uses he results to: renegotiate the terms of their agreement before signing; ask for a forbearance on all debts for the foreseeable future; or exercise the mitigating factor clause if it is indeed part of their agreement.

Many of the conclusions regarding different country's debt vulnerability are based on conjecture because the terms of the agreements between Chinese financial institutions and the respective countries are not available. And that is why a next recommendation is to urge the international community, and especially the G20, to demand more transparency from China as to which countries it intends to recruit for the BRI, and make the terms of the agreements readily available.

A final recommendation is that the three major Chinese financial institutions—the China Development Bank, the Export-Import Bank of China, and the Agricultural Development Bank of China—consider the option to automatically provide forbearances on the loan agreements for the most vulnerable countries, beginning in 2020 and for the foreseeable future. Until there is a vaccine readily available on a global scale, and herd immunity is established, the spread of COVID-19 and its impact on the world's economies will only continue.

Providing automatic forbearance to debt vulnerable countries serves China's best interest to help these countries stay afloat through the COVID-19 crisis. One reason is that interest will still accrue on the loans, and a second is that they will have prosperous countries as partners in the BRI, which is not only great for the bottom line (i.e., finishing these major infrastructure projects, reaping the benefits and getting repaid) but also for public relations.

Overall, the international community has taken some steps in the right direction to shed light on debt vulnerability and assist those most vulnerable during this pandemic. But it is simply not enough. Due to its global influence and billions of dollars of investments, China's policies must be at the forefront, since a large portion of these debt vulnerable countries are indebted to Chinese financial institutions.

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