



ASIAN INFRASTRUCTURE  
INVESTMENT BANK

# About AIIB

## GMS Subregional Transport Forum (STF-25)

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# AIIB at a Glance

- AIIB is a **MDB** with a mission “*Financing Infrastructure for Tomorrow*” with an operational focus on **green infrastructure, connectivity and regional cooperation, technology-enabled infrastructure** and **private capital mobilization**.
- AIIB began operations in January 2016 and has now grown to **105 approved members** worldwide.



<b>Name</b>	Asian Infrastructure Investment Bank (AIIB)
<b>Headquarters</b>	Beijing, China
<b>Paid-in Capital</b>	USD20 billion (Overall capital: USD100 billion)
<b>Approved Investment</b>	USD34.91 billion (as of April 2022), 176 projects
<b>Professional Staff</b>	367 (as of September 2021)
<b>Credit Ratings</b>	AAA (Stable) / Standard & Poor’s, Moody’s and Fitch

## AIIB Members

### Members Regional (46)

Afghanistan	Israel	Russia
Australia	Jordan	Samoa
Azerbaijan	Kazakhstan	Saudi Arabia
Bahrain	Korea	Singapore
Bangladesh	Kyrgyz Republic	Sri Lanka
Brunei Darussalam	Lao PDR	Tajikistan
Cambodia	Malaysia	Thailand
China	Maldives	Timor-Leste
Cook Islands	Mongolia	Tonga
Cyprus	Myanmar	Turkey
Fiji	Nepal	UAE
Georgia	New Zealand	Uzbekistan
Hong Kong, China	Oman	Vanuatu
India	Pakistan	Vietnam
Indonesia	Philippines	
Iran	Qatar	

### Members Nonregional (45)

Algeria	France	Peru
Argentina	Germany	Poland
Austria	Ghana	Portugal
Belarus	Greece	Romania
Belgium	Guinea	Rwanda
Benin	Hungary	Serbia
Brazil	Iceland	Spain
Canada	Ireland	Sudan
Chile	Italy	Sweden
Côte d’Ivoire	Liberia	Switzerland
Croatia	Luxembourg	Tunisia
Denmark	Madagascar	United Kingdom
Ecuador	Malta	Uruguay
Egypt	Morocco	
Ethiopia	Netherlands	
Finland	Norway	

### Prospective Regional (5)

Armenia
Iraq
Kuwait*
Lebanon
Papua New Guinea

### Prospective Nonregional (9)

Bolivia	Senegal
Djibouti	South Africa*
Kenya	Togo
Libya	Venezuela
Nigeria	

\* Prospective founding member: These are prospective members who were original signatories to the Articles of Agreement in June 2015. Countries or territories who sought membership after that date are simply called prospective members. All prospective members have been approved by the Board of Governors but have not yet met the full requirements of membership.

# Thematic Priorities

A firm commitment to **sustainability** in all of its dimensions — economic, financial, social and environmental.



## Green Infrastructure

Promoting green infrastructure and supporting members to meet their local and national environmental and development goals, especially their commitments under the Paris Agreement and the United Nations' Sustainable Development Goals.



## Connectivity and Regional Cooperation

Facilitating better transport, digital, energy and water connectivity within Asia and between Asia and the rest of the world. It will also support projects that facilitate trade, cross-border investment, tourism, financial and digital integration across Asian economies and beyond.



## Technology-enabled Infrastructure

Based on the enhanced recognition of the important role technology plays, AIIB will support projects where the application of technology delivers better value, quality, productivity, efficiency, resilience, sustainability, inclusion, transparency and better governance along the project cycle.



## Private Capital Mobilization

To support projects that directly or indirectly mobilize private financing into sectors within AIIB's mandate. Includes developing infrastructure as an asset class in Asia.

# AIIB's Corporate Targets

## Climate finance

50% of actual financing approvals by 2025

## Private sector financing

50% of actual financing approvals by 2030.

## Cross-border connectivity

25% - 30% of actual financing approvals by 2030

## Paris Agreement

100% of our operations to be aligned by July 2023



# Investment Operations

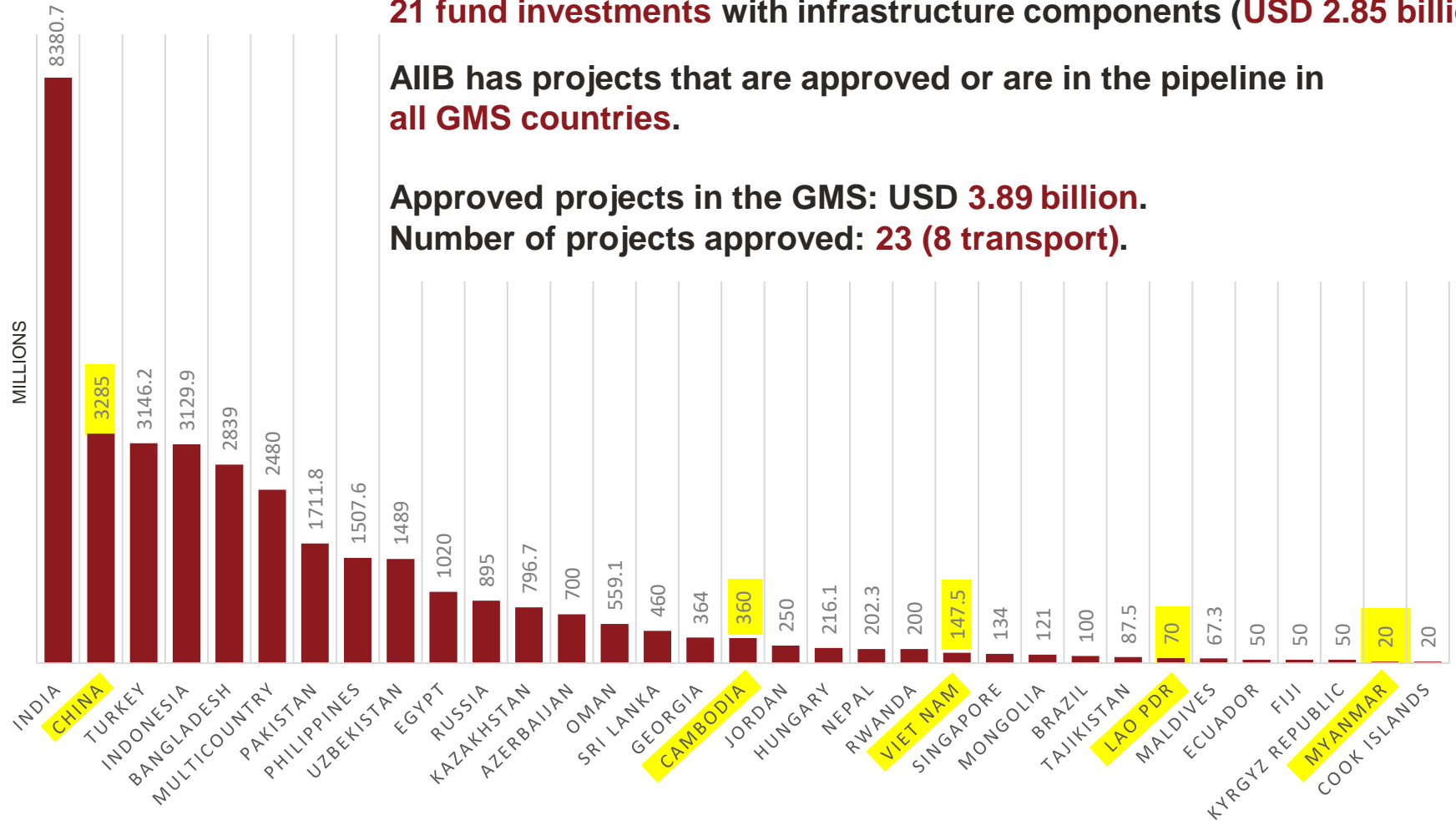
Approved projects since inception:

USD **34.9** billion.

Number of projects approved: **176**.

Investments in energy, **transport, connectivity, digital**, water, sanitation, public health, rural infrastructure, **urban development** and others.

AIIB will leverage its balance sheet to mobilize financing for the private sector.



# AIIB Financial Instruments

## Sovereign-Backed Financing

- Sovereign-backed loans will have an average maturity of up to 20 years and a max. maturity limit of up to 35 years.
- AIIB continues to **co-finance** projects with other lenders in addition to expanding its **standalone** portfolio.
- Public sector loans conduct a full assessment of the project's benefits, risks and borrower implementation capacity.

## Non-sovereign-Backed Financing

- Borrowers could range from **sub sovereign public entities** to **private enterprises**.
- The terms and conditions will be set on a **commercial basis** and reflect the expected risk to the Bank and **market conditions**.
- AIIB's exposure can be up to **35 percent** of the long-term capital of the obligor, or for a new project, up to 35 percent of the project's value.

## Equity investments

- **Equity investments**
  - Fair terms,
  - Clear potential exit strategy
  - Acceptable internal rate of return.
- Limits: up to **10 percent** of available capital
- AIIB would be a **minority investor** and shall not seek a controlling interest in the target entity or enterprise.

## Guarantees

- Partial Debt Guarantee are available to clients.
  - Private sector operations
  - Incorporates partial debt guarantees and unfunded risk participations.
- Projects involving guarantees will be appraised, processed, and monitored the same way as loans.
- For capital headroom and exposure management purposes, guarantees will be treated as if they were on the balance sheet (i.e. treated the same way as loans).

# AIIB Special Fund Resources

Resource	Product	Eligibility	Type of projects	Typical size
1. <b>Project Preparation Special Fund (PPSF)</b>	Grant - TA for project preparation	<ul style="list-style-type: none"> <li>• IDA recipients</li> <li>• Non-IDA recipients with substantial development needs and capacity constraints</li> </ul>	Sovereign	1-5 M
2. <b>Special Fund Window (SFW)</b>	Grant - Interest rate buy-down	IDA-only members of AIIB	Sovereign	5-10 M

# Multilateral Cooperation Center for Development Finance (MCDF)

- **USD 180M Finance Facility can provide support through AIIB as an Implementing Partner** on all areas to support the development of high-quality connectivity infrastructure:
  - a) Master plans.
  - b) Project preparation:
    - Pre-concept support;
    - Pre-feasibility and feasibility studies;
    - Debt sustainability assessments;
    - Environmental and social assessments.
  - c) Investment matching to secure financing: through JIGSAW - MCDF's digital platform
- **Target connectivity sectors:** transport, energy, ICT, and water.
- Both sovereign and PPP projects, and hard and soft infrastructure.





# AIIB Transport Sector Strategy

## Trunk linkages

- Additional transport capacity or removal of bottlenecks between major urban centers and key economic areas
- Can be national or provincial highways and railways
- Key criteria for project selection and design: **Economic return** and **financial viability**.

## Cross-border connectivity

- Road and rail connections serving cross-border traffic
- Nodal infrastructure (airports, ports, dry ports, multimodal transport hubs and logistics hubs that serve international traffic)
- AIIB will encourage the use of its Special Fund to support the preparation of cross-border projects, including those in middle-income countries.

## Transport integration

- Projects enhance seamless transport across different modes or within a network (e.g. intercity railway integration with urban transport using transport hubs; integration between ports and airports and surrounding areas using roads)
- Integration of international connectivity by building domestic links

## Upgrading of existing infrastructure

- Upgrading of existing infrastructure can have a high econ return and can improve existing asset utilization.

## AIIB Approach:

- Ensuring Economic/financial viability
- Mobilizing private capital
- E&S responsibility
- Developing Partnerships
- Embracing both Innovative and Proven Technologies



# SAMPLE AIIB PROJECT IN GMS

## Lao People's Democratic Republic: National Road 13 Improvement and Maintenance Project

- Approved Financing: US\$40 million

### PROJECT OBJECTIVE

- To improve road conditions, safety and climate resilience on critical sections of National Road 13 using an innovative contracting model (OPBRC). The road design will also be strengthened to meet ASEAN standards.

### PROJECT DESCRIPTION

- Widening of a 19 km high traffic section close to Vientiane capital city (Sikeut to Songpeuay market) from the existing two-lane to a four-lane road;
- Improvement/strengthening of a 39-km section of two-lane road (Songpeuay market to Phonhong) with Portland cement concrete pavement.
- The project is using an innovative contracting model, an Output- and Performance-based Road Contract (OPBRC)

<https://www.aiib.org/en/projects/details/2019/approved/Lao-PDR-National-Road-13-Improvement-and-Maintenance-Project.html>



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# Thank You!

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