

# Twenty-third Meeting of the Working Group of the Parties to the Aarhus Convention

Promotion of the Convention's principles in international forums

**26 - 28 June 2019**

**Salle VII, Palais des Nations, Geneva, Switzerland**

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# INTRODUCING the AIIB



# LEVERAGING THE EXPERIENCES OF EXISTING MDBS

AIIB draws lessons from the past experiences of multilateral development banks to enhance its operating efficiency, product offerings and reduce costs.



# ABOUT AIIB

## Asian Infrastructure Investment Bank

### Who we are

Multilateral Development Bank(MDB) founded to bring countries together to address Asia's daunting **infrastructure funding gap estimated at USD26 trillion through 2030<sup>1</sup>**.

### Our mission

To improve economic and social development in Asia and beyond through a focus on **sustainable infrastructure**, cross-border connectivity and private capital mobilization.

### Credit strength

Strong support from diversified global shareholder base. **USD100 billion capital stock** with 20% assigned to paid-in capital. Prudent risk management and financial policies. AAA/Aaa/AAA rating with stable outlook.

### Its core values are:

**Lean**, with a small efficient management team and highly skilled staff.

**Clean**, an ethical organization with zero tolerance for corruption.

**Green**, an institution built on respect for the environment.

<sup>1</sup>Source: "Meeting Asia's Infrastructure Needs", ADB 2017

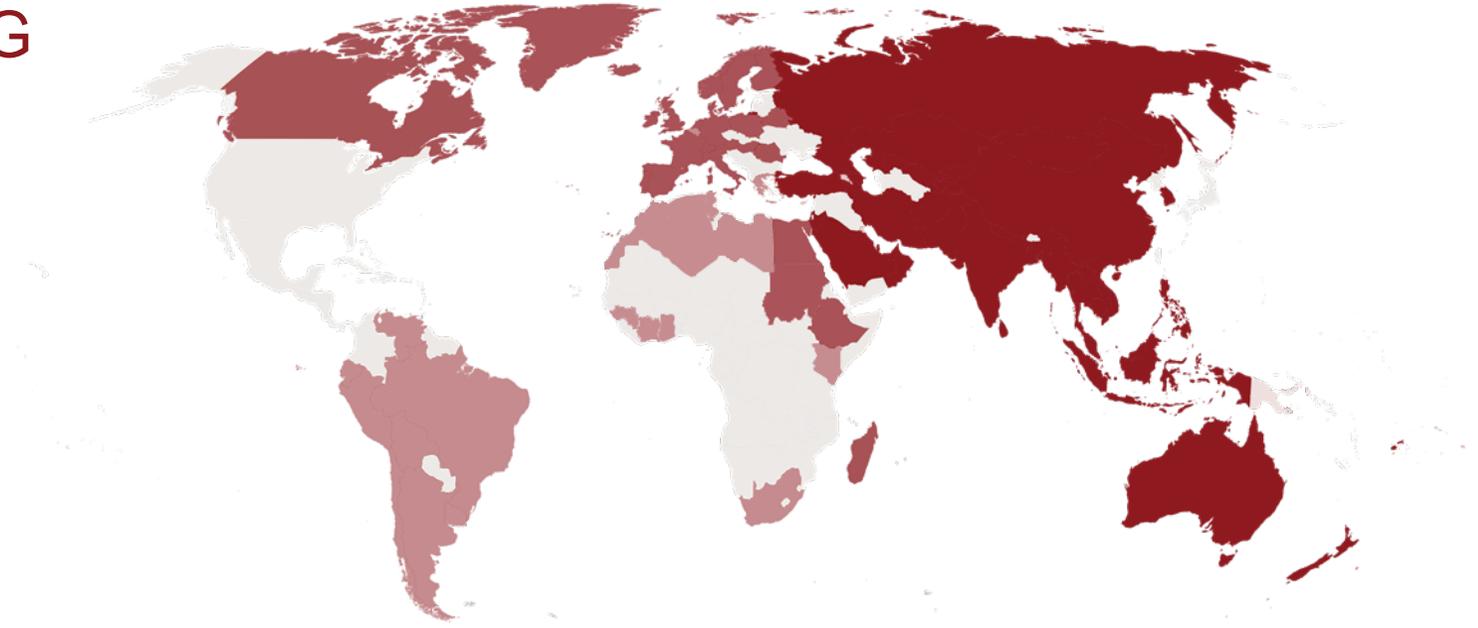
# OVERVIEW OF SHAREHOLDING STRUCTURE

97 approved members



The bank...will help to mobilize much needed additional resources from inside and outside Asia... and will complement the existing multilateral development banks.

Articles of Agreement



\* 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.

**Members Regional**

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

**Members Non-Regional**

- |            |                |
|------------|----------------|
| Austria    | Madagascar     |
| Belarus    | Malta          |
| Canada     | Netherlands    |
| Denmark    | Norway         |
| Egypt      | Poland         |
| Ethiopia   | Portugal       |
| Finland    | Romania        |
| France     | Spain          |
| Germany    | Sudan          |
| Hungary    | Sweden         |
| Iceland    | Switzerland    |
| Ireland    | United Kingdom |
| Italy      |                |
| Luxembourg |                |

**Prospective Regional**

- Armenia
- Cook Islands
- Kuwait\*
- Lebanon
- Papua New Guinea
- Tonga

**Prospective Non-Regional**

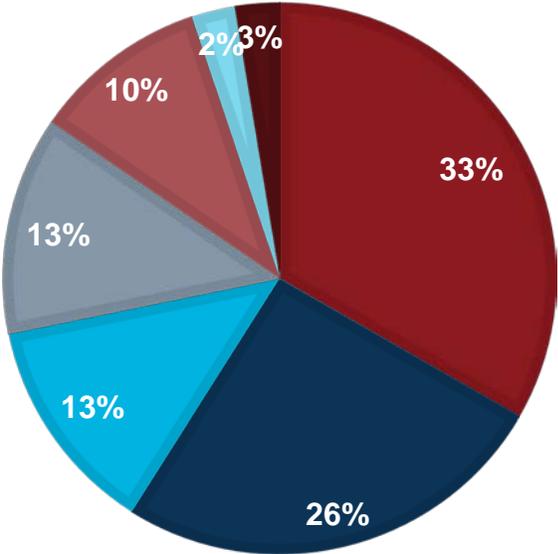
- |               |               |
|---------------|---------------|
| Algeria       | Libya         |
| Argentina     | Morocco       |
| Belgium       | Peru          |
| Bolivia       | Serbia        |
| Brazil*       | South Africa* |
| Chile         | Togo          |
| Côte d'Ivoire | Tunisia       |
| Ecuador       | Uruguay       |
| Ghana         | Venezuela     |
| Guinea        |               |
| Greece        |               |
| Kenya         |               |



# OUR PROJECTS

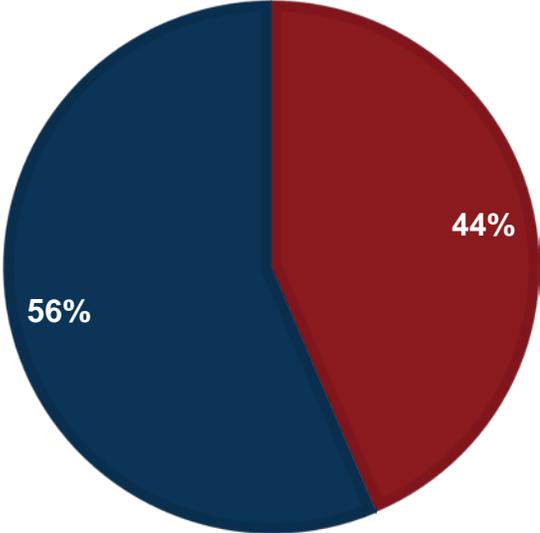
### SECTORAL DISTRIBUTION BY NUMBER OF PROJECTS (PERCENTAGE)

■ Energy ■ Transport ■ Water ■ Finance ■ Urban ■ ICT ■ Other



### COFINANCING VS. STANDALONE BY NUMBER OF PROJECTS (PERCENTAGE)

■ Standalone ■ Cofinancing

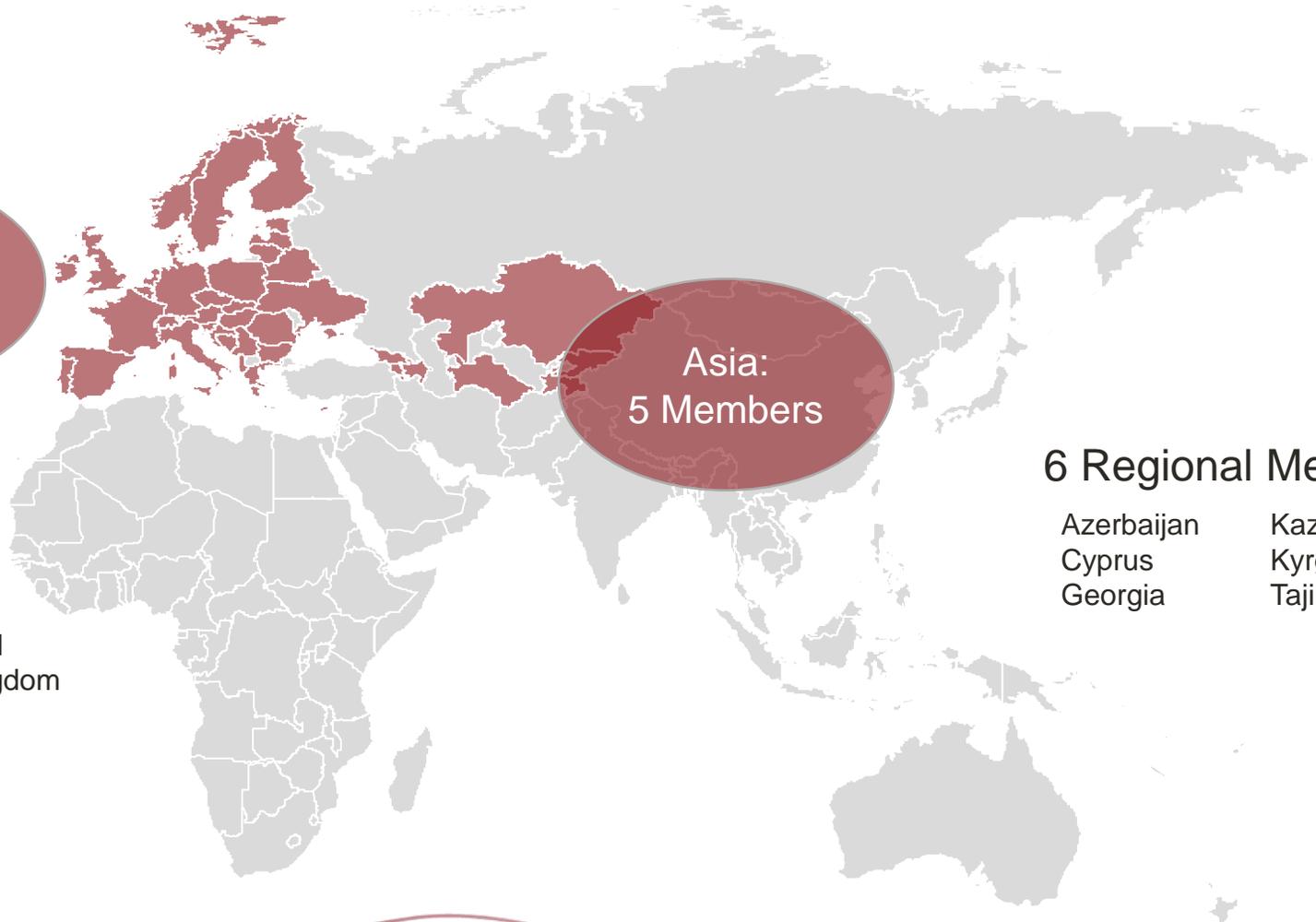


# AREAS OF OPERATIONS

## Range of instruments offered

Sovereign loans	Nonsovereign-backed financing	Equity Investments	Guarantees
<ul style="list-style-type: none"><li>• Sovereign-backed loans will have an average maturity of up to <b>20 years</b> and a final maturity limit of up to <b>35 years</b>.</li><li>• Cofinanced sovereign lending will be encouraged.</li><li>• Appraisal of sovereign loans will take into account a full assessment of the project's benefits, risks and borrower implementation capacity.</li></ul>	<ul style="list-style-type: none"><li>• AIIB is taking a progressive approach to building its book of nonsovereign-backed financing. This approach is based on sound banking practice.</li><li>• Borrowers could range from <b>sub sovereign public entities</b> to <b>private enterprises</b>.</li><li>• The terms and conditions will be set on a commercial basis and reflect the expected risk to AIIB and market conditions.</li><li>• Loan amounts can be up to 35% of the project.</li></ul>	<ul style="list-style-type: none"><li>• AIIB will only consider making equity investments under terms it considers fair, where clear potential exit strategies are present, and where an acceptable internal rate of return is projected.</li><li>• Limit on Equity investments up to 10% of available capital.</li><li>• The Bank expects to play the role of a minority investor and shall not seek a controlling interest in the target entity or enterprise.</li></ul>	<ul style="list-style-type: none"><li>• AIIB aims to offer guarantees.</li><li>• Projects involving guarantees will be appraised, processed, and monitored the same way as loans.</li><li>• 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).</li></ul>

# AARHUS CONVENTION AIIB MEMBER SIGNATORIES



Europe:  
22 Members

Asia:  
5 Members

## 21 Non-Regional Members

Austria	Ireland	Romania
Belarus	Italy	Spain
Denmark	Luxembourg	Sweden
Finland	Malta	Switzerland
France	Netherlands	United Kingdom
Germany	Norway	
Hungary	Poland	
Iceland	Portugal	

## 6 Regional Members

Azerbaijan	Kazakhstan
Cyprus	Kyrgyzstan
Georgia	Tajikistan

# OVERVIEW OF AIIB'S 'ACCESS TO INFORMATION' ARCHITECTURE AND POLICIES



# PUBLIC POLICY ON INFORMATION

- The Policy is in furtherance of Article 34(4) of the Articles of Agreement and is adopted to promote transparency of Bank Operations.
- Overarching Intentions :
  - Transparency enhances accountability
  - Maximum Disclosure and Transparency
  - Due regard to the efficiency of the Bank.
- Governing Principles : 1) Presumption in Favor of Disclosure, 2) Duty of Proactive Disclosure 3) Non Discrimination and Equal Treatment of Disclosure Requests
- Requirement to Disclose Information Proactively on the occasion of three events : a) Financial events, b) Institutional Events and c) Operational Events.
- An appeals system allowing requesters to appeal to the MD Compliance, Effectiveness and Integrity Unit if a request has been denied

# Environmental and Social Policy (ESP) and Environmental and Social Standard (ESS) 1, 2 and 3

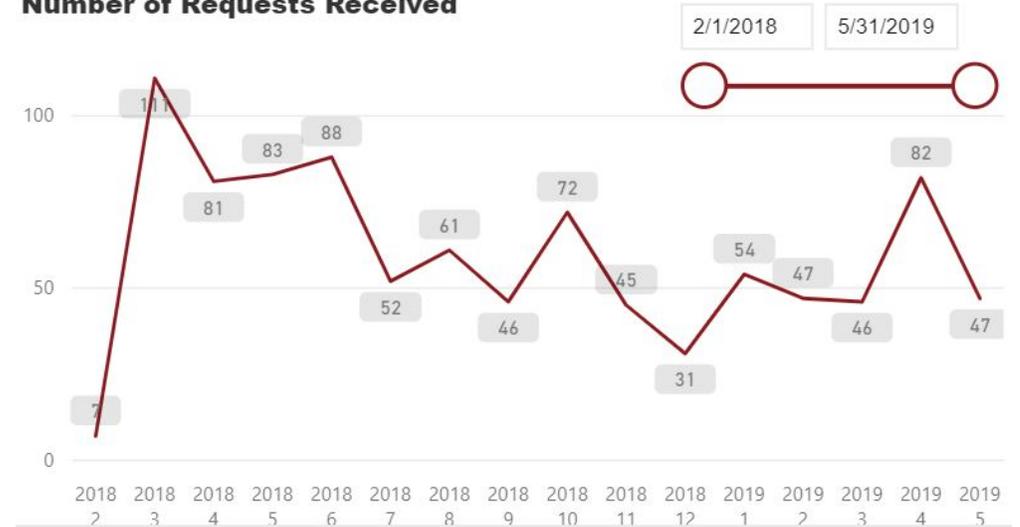
- The ESP applies to all projects. The AIIB requires each Client to manage the environmental and social risks and impacts associated with its Project in a manner designed to meet the ESP and ESSs.
- Stakeholder Engagement : The Bank Requires the Client to engage in meaningful consultation with stakeholders during the Project's preparation and implementation phases in a manner commensurate with the risks to, and impacts on, those affected by the Project. Free, Prior and Informed Consultation is required if Indigenous Peoples are affected due to impacts on land and natural resources, may be required to relocate and/or have significant impacts on their cultural resources.
- Information Disclosure : AIIB's disclosure of information requirement is process driven. The overall objective is to ensure that information commensurate to the risks and impacts of a potential investment is provided to enable project affected people and other stakeholders to have adequate time to enable them to voice their concerns.



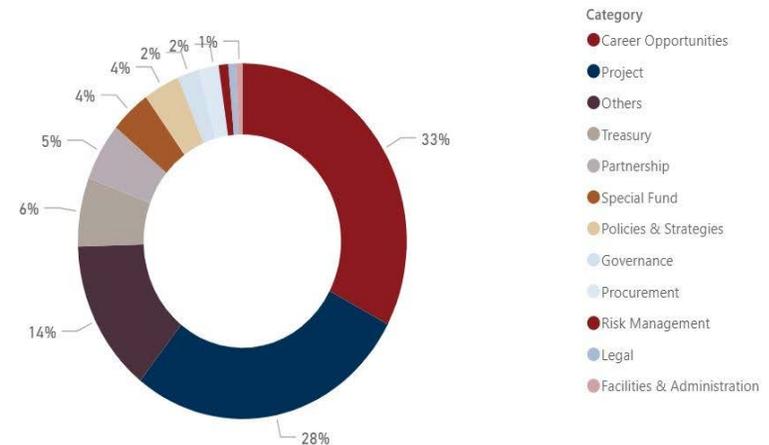
# CURRENT STATUS : PPI

- The PPI is still in its early stages of implementation (8 months)
- Directive on Public Information establishes procedures to ensure the Policy is effectively implemented. It sets out the number of working days to acknowledge the receipt (5 working days) to provide the information and/or give information for the refusal(30 working days). Annex provides more data on specific triggers.
- Administrative Guidance under preparation to support the PPI and its Directive but this will not be disclosed.

Number of Requests Received

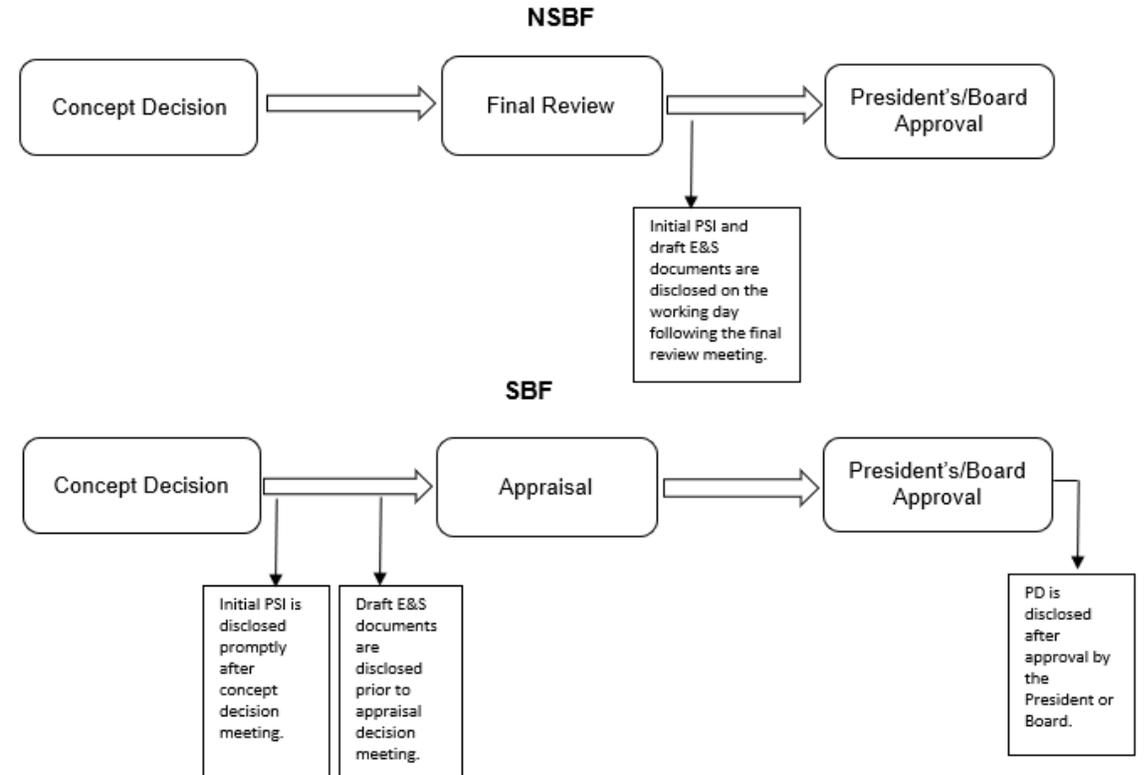


Request Categories



# Current Status : ESP

- AIIB's E & S project related disclosure of information requirement is process driven and not time bound (like that of the World Bank)
- Different procedures used for Non-Sovereign Backed Financing (NSBF) and Sovereign Backed Financing



# Capacity Building Activities

## PPI

### Internal :

- Awareness raising, creating of focal points and training on it has now become part of the Induction Programme
- Resources increased to monitor, process and monitor information requests. An on-line portal tracks the status of information requests so as to ensure timely responses.

### External:

In interactions to external stakeholders, encouragement is given to submit request through the online request portal.

## ESP

### Internal:

- The importance of inclusive consultation and stakeholder engagement is a focus of the training provided on the ESP. Also informal for a where case studies are shared
- Currently work being undertaken to identify how consultations can be better accessible for people with disabilities

### External:

Working continually with Clients on an individual basis

# Challenges and Opportunities: PPI

## Challenges

- Awareness both Internal and external still needs to be raised; it is a relatively new policy and the AIIB is a young institution.
- IT support in facilitating processing and compliance
- Complexities in requests for information related to a third party such as client, co-financier and private sector clients (commercially sensitive information)
- No country offices

## Opportunities

- As a young institution, proactive information disclosure can be factored into the development of its IT capacity
- Developing greater awareness and appreciation of the value of information disclosure



# Challenges and Opportunities: ESP

## Challenges

- Capacity and awareness of AIIB's clients.
- Complexity of environmental and social risks and impacts in infrastructure projects.
- Ensuring consultation is meaningful and inclusive in a wide range of contexts.
- No country offices.

## Opportunities

- As a young institution, proactive information disclosure can be factored into the development of its IT capacity.
- Developing greater awareness of and appreciation by clients in the value and benefits of information disclosure.
- Seeking to develop, test and apply innovative approaches to consultation and disclosure of environmental and social information.

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