

AIIIB

**THE ASIAN
INFRASTRUCTURE
INVESTMENT BANK**



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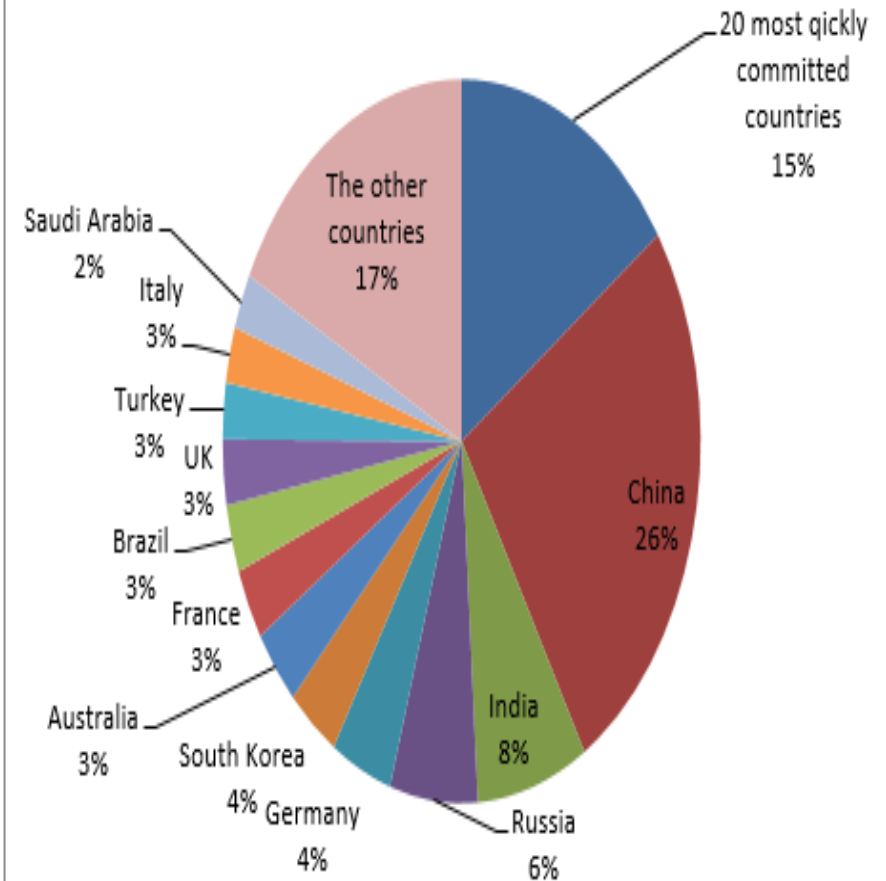
outline

- A multilateral financial institution
- Membership of AIIB
- The purpose is to foster sustainable economic development.
- And to promote regional cooperation.
- What will it Offer?
- Approved projects
- Projects in Pakistan
- Analysis

A multilateral financial institution

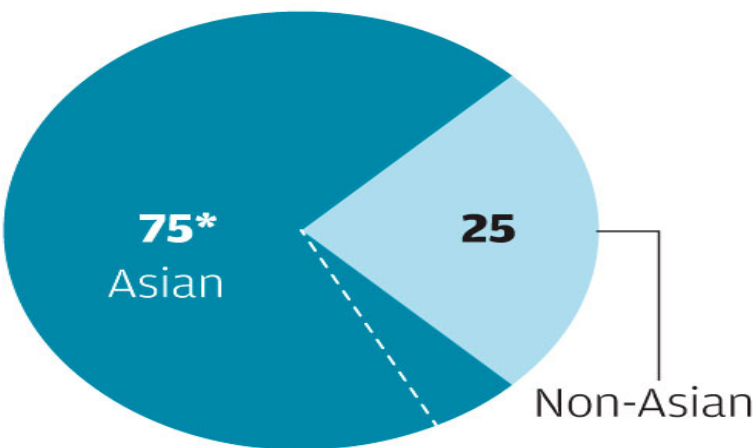
- AIIB is initiated by China and located in Beijing.
- 57 members
- with an initial capital of \$100 billion,
- equivalent to $\frac{2}{3}$ of the capital of ADB
- and about half of the World Bank.
- China is providing \$20 billion
- while other capital is provided by other members.
- All powers of the Bank are vested in Board of Governors, which is the highest decision-making body under the Articles of Agreement.

The Distribution of Shares/Votes
in the AIIB



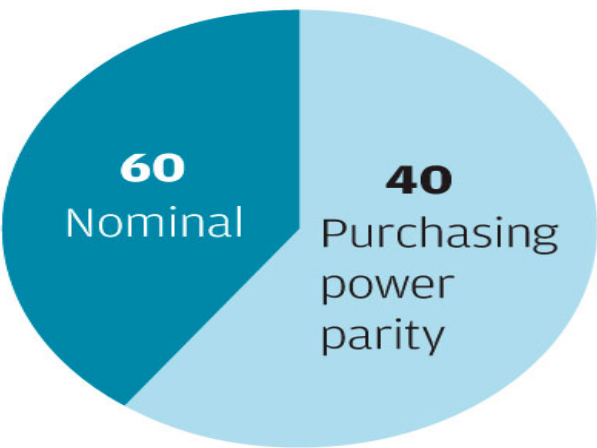
Fair share

Share allocations (%)

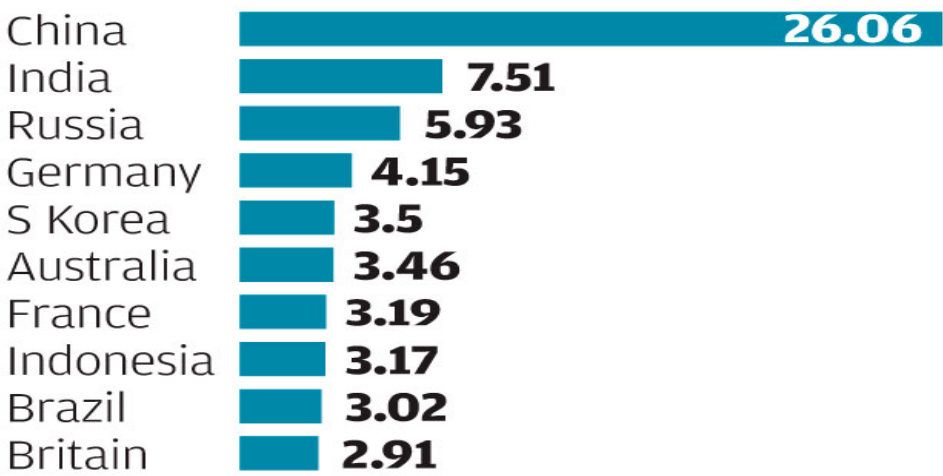


**Can be relaxed to 70% if AIIB expands*

Donor contribution (%)



Countries with biggest say (% votes)



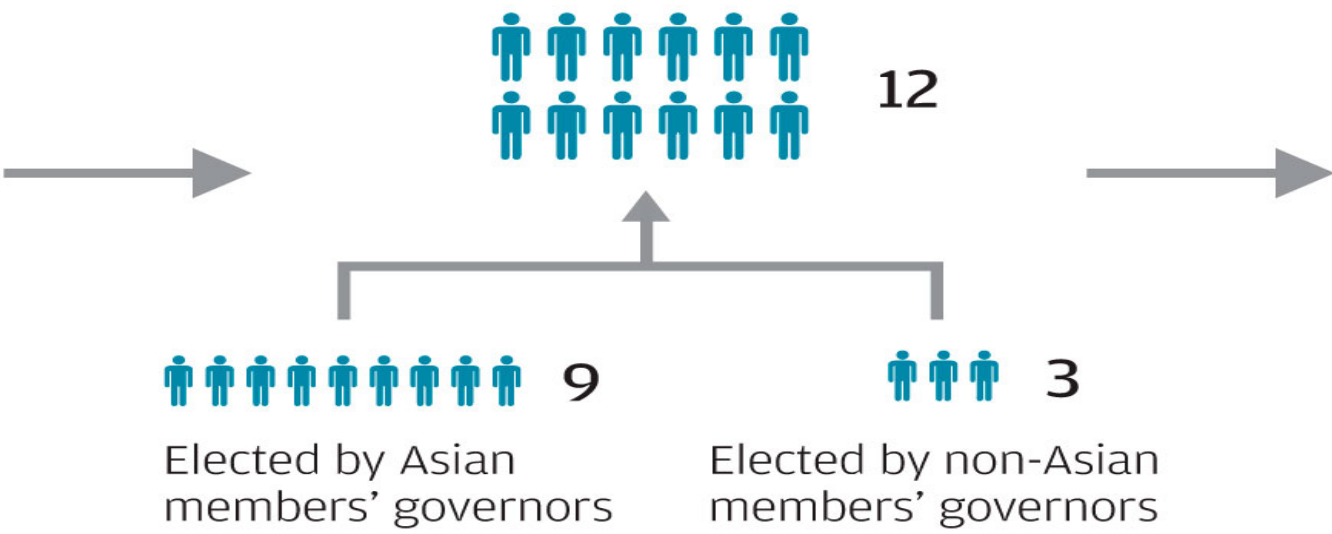
Structure

Board of governors

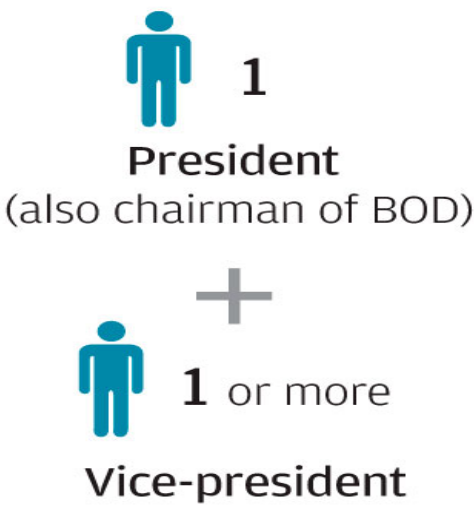


Each AIIB member appoints one governor

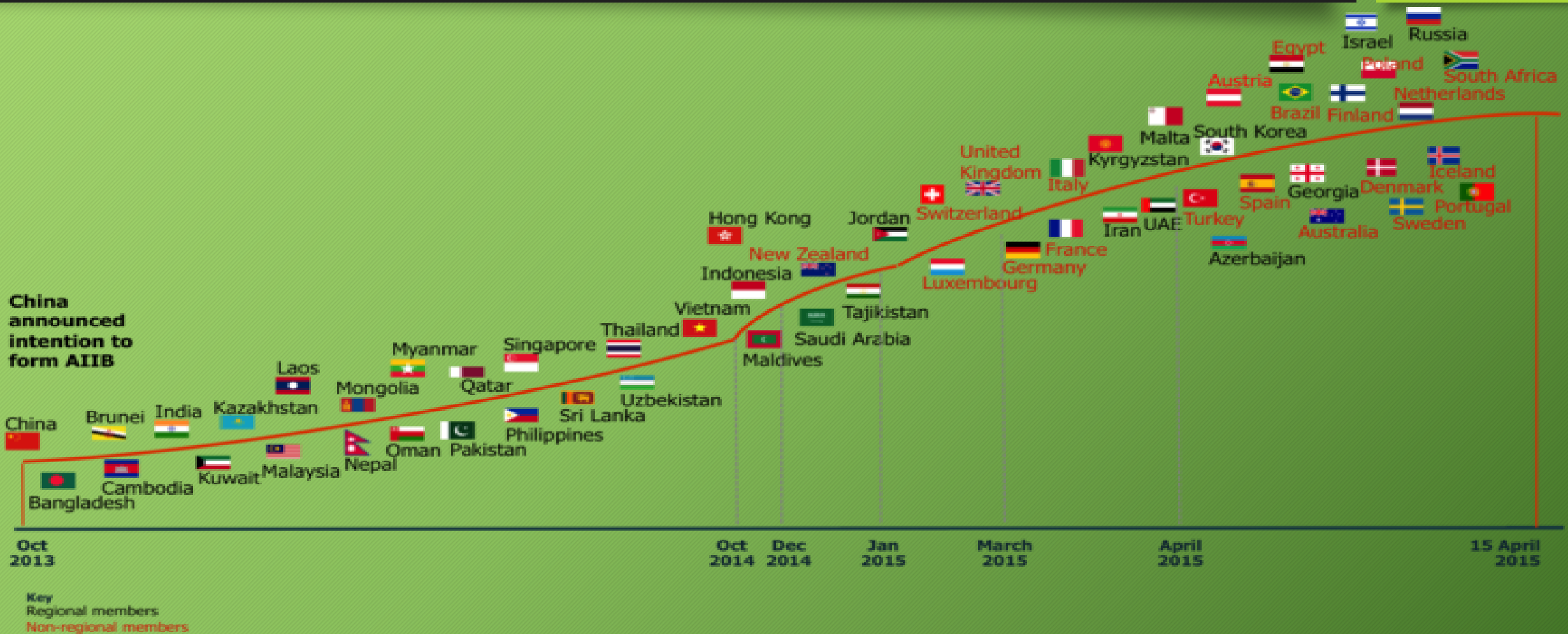
Board of directors (BOD)



Management

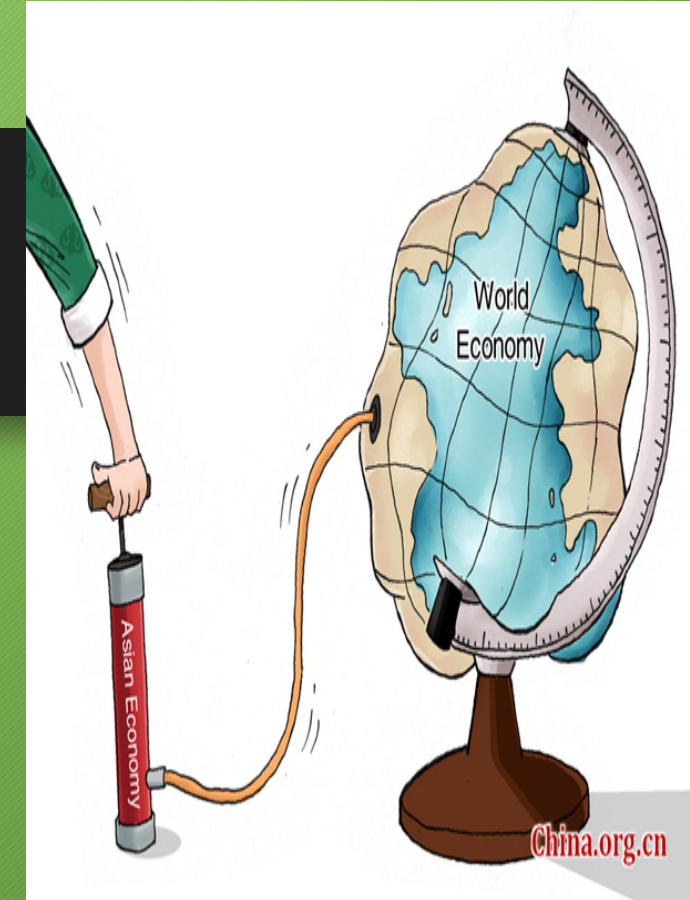


Membership of AIIB



The purpose is to foster sustainable economic development.

- This development and improvement of infrastructure for
- economic growth
- promotes employment
- enables business activity
- and contributes to poverty reduction
- by providing improved access to basic services, including reliable electricity supply, efficient transport systems, clean water supply, access to sanitation services, and modern telecommunications.



And to promote regional cooperation partnership.



- The main tenet of this institution is not the competition
- instead cooperation with the existing institutions like World Bank and Asian development bank.
- Its aim is working in close collaboration with other multilateral and bilateral development institutions
- Thus, it is hub of all regional, non-regional, developing and developed countries take their part to promote progress and prosperity along with regional connectivity.

What will it Offer?

- As a modern infrastructure financing institution, the AIIB aims to deliver five I's:

Investment:

• Innovation:

• Integration:

• Integrity:

• Insight:



Approved projects

- Until now AIIB has approved 9 projects with \$509 million for, Tajikistan, Pakistan, Myanmar, Indonesia, Bangladesh, Azerbaijan and Oman. In all these projects other financial institutions are also working in collaboration with AIIB



Projects in Pakistan

- SECTOR: HYDROPOWER - Energy COUNTRY: PAKISTAN
- APPROVAL DATE: September 27, 2016 Pakistan: Tarbela 5 Hydropower Extension Project(WB)
- comprises the installation of a power house at the fifth tunnel (Tunnel 5) of the Tarbela Dam, and construction of a transmission line to connect the power to the national grid.
- SECTOR: TRANSPORT - Roads and Highways COUNTRY: PAKISTAN
- Pakistan: National Motorway M-4 Project(ADB) :APPROVAL DATE: June 24, 2016
- AIB approved a loan of \$100 million for the National Motorway M-4 (Shorkot-Khanewal Section)



Analysis

Only for economic purpose

- An important policy was adopted by its leadership that this bank
- will implement only economic policies and work commercially
- and will not become a tool to implement the Chinese policies on all or on its member countries.