

Islamabad's Informal



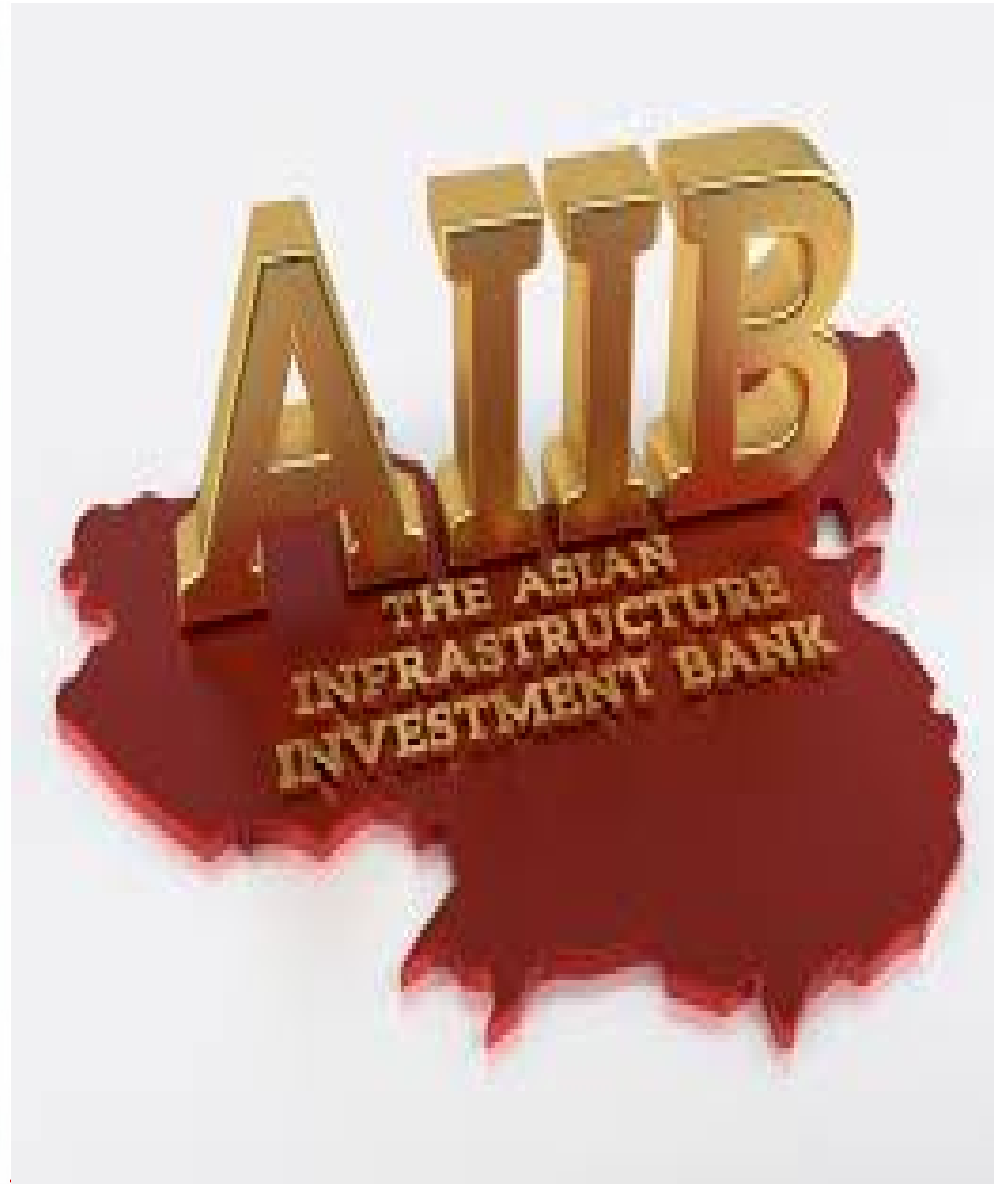
CHINA STUDY CIRCLE



Fifth Session
Tatheer Zahra Sherazi
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World Bank and AIIB cooperation



Comparison

Word Bank and AIIB

The largest and most famous development bank since July 1944 ,it based in Washington, D.C

It provides financial and technical assistance to developing countries for development

The Purpose is

- a) Economic development
- b) poverty elimination

Members
189

A multilateral financial institution since April 2014 , located in Beijing.

It address the daunting infrastructure needs across Asia

The purpose is

- a) to foster sustainable economic development by fostering infrastructure
- b) and to promote regional cooperation

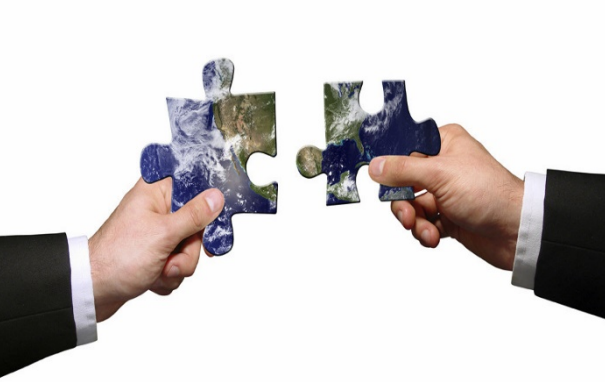
Members
57

Comparison

Word Bank and AIIB

<u>Total capital</u> \$223 billion	<u>Total Capital</u> Initial total capital of \$100 billion
<u>Top Share Holders</u> the United States (17.07%) Japan (7.89%), China (5.09%),	<u>Top Share Holders</u> China(30.34 %) India(8.52 %) and Russia (6.66 %)





Cooperation





World Bank Group President Jim Yong Kim and Asian Infrastructure Investment Bank President Jin Liqun signed a memorandum of understanding to strengthen cooperation and knowledge sharing between the institutions



Areas of co-operation

- in common areas of interest, including development financing, staff exchanges, and analytical and sector work.
- It paves the way for the two institutions to further enhance coordination at the regional and country levels

Joint agreement

The World Bank Group and the AIIB signed a Co-Financing Framework Agreement for investment projects a year ago.

- Since then, the AIIB and the World Bank have co-financed five projects,
 - a) Supporting power generation in Pakistan,
 - b) A natural gas pipeline in Azerbaijan,
 - c) and slum upgrading
 - d) dam safety
 - e) and regional infrastructure development in Indonesia.
- The two institutions are discussing more projects to be co-financed in 2017 and 2018.





Project 1

Power generation in Pakistan

Pakistan: Tarbela 5 Hydropower Extension Project

US\$ 823.5 million (total)

US\$ 390 million (WB)

US\$ 300 million (AIIB)

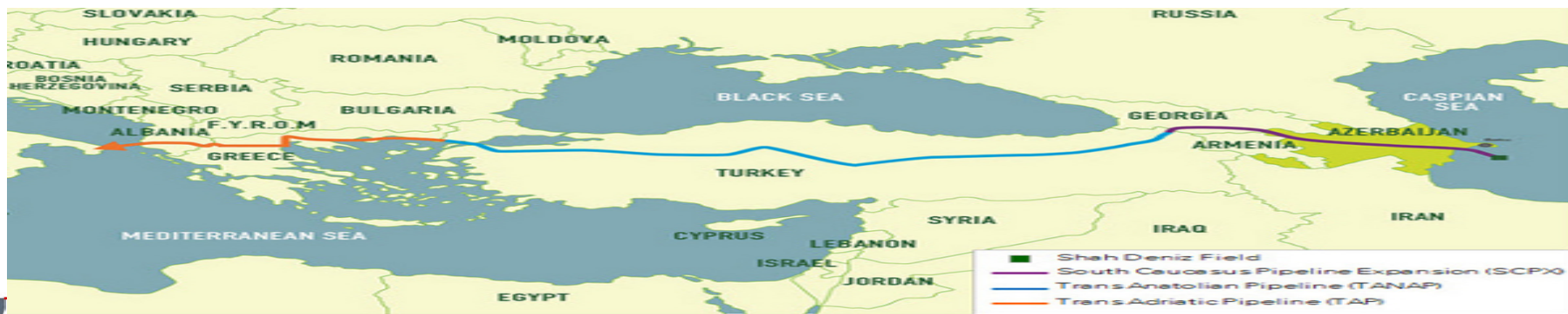
US\$ 133.5 million (Wapda)

- The total installed capacity of Tarbela Dam after completion of 5th Extension will rise to 6,298MW.

Project 2

Trans-Anatolian gas pipeline (TANAP) project

- Trans-Anatolian gas pipeline (TANAP) project, 1,850km pipeline is part of the gas corridor connecting Azerbaijan with Europe.
- the AIIB gave its approval to a US\$600mn loan to be used in the project's construction,
- while the World Bank pledged US\$800mn.





- The TANAP will travel through Turkey and eventually connect to the planned Trans-Adriatic Pipeline (TAP), bringing natural gas to Europe via Greece, Albania and Italy.
- total cost is US\$ 8.6 Billion
- The European Commission has billed TANAP as the “biggest infrastructure project of our times”.

Response on Azerbaijan project

World Bank

“TANAP will not only boost competitiveness and create economic opportunities for people in Azerbaijan and Turkey, it will also support regional trade, improve connectivity, and support energy security in Turkey and in Europe

AIIB

This crucial upgrade of energy infrastructure between Asia and Europe will further strengthen the economy of Azerbaijan while underpinning energy security in Turkey, as well as several countries in southern Europe,



Project 3

Upgradation of dam

For upgradation of dam the World Bank has approved \$125 million while the Asian Infrastructure Investment Bank (AIIB) will co-finance the project with an additional \$125 million, while the Indonesian government allocate to it \$50 million.





Project 4 Slum Upgrading



**Total US\$ 1743
Million**

**US\$ 216.5 Million
(WB)**

**US\$ 216.5 Million
AIIB**

**US\$ 1310
Million(government**

- It will support the Government's (GoI) program of urban slum infrastructure investments for 154 cities in the central and eastern parts of Indonesia with five components

Project 5

Regional infrastructure development in Indonesia

Project	World Bank	AIIB
Total \$ 406 million	US\$ 103 Million(WB)	US\$ 100 Million while 203 by government

World Bank on OBOR Summit

- The One Belt One Road project is an extremely important one for the Chinese government and also for us.
- The leadership that China is now taking in the overall world of development I think is unprecedented.
- And I think China has been stepping up and illustrating that it's concerned about development, not just in the neighboring countries or even along the Old Silk Road, but globally.
- And so not only are we engaged, for example, in a major study with China right now on the drivers of China's future economic growth, but we're partnering with AIIB already.





Upcoming Projects



- The World Bank and the AIIB are currently discussing nearly one dozen co-financed projects in sectors that include transport, water and energy in Central Asia, South Asia and East Asia.
- Under the agreement, the World Bank will prepare and supervise the co-financed projects in accordance with its policies and procedures in areas like procurement, environment and social safeguards.

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- <http://treasury.worldbank.org/cmd/pdf/WorldBankFacts.pdf>
 - <http://www.economist.com/blogs/economist-explains/2014/11/economist-explains-6>
 - <http://www.gtreview.com/news/asia/aiib-and-world-bank-lend-big-to-tanap-project/>