

# Asian Infrastructure Investment Bank

**17<sup>th</sup> CAREC Transport Sector Coordinating  
Committee Meeting, Istanbul, Turkey (18-20 April  
2018)**

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**(Region-2)**



## Forging a New Path (1)

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- 21<sup>st</sup> century Multilateral Development Bank (MDB), Headquartered in Beijing, China.
- Established January 2016 with 57 founding shareholders (members) and growing (over 80 as of December 2017).
- AAA rated with capital of US\$100bn of which US\$20bn has been funded.
- In Asia and surrounding nations, there is a growing need for transportation networks, urban development, clean water supplies and low-carbon power.
- AIIB aims to address the infrastructure gap while adhering to E&S and transparency standards.



## Forging a New Path (2)

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- Funding infrastructure to **and other economic sectors across Asia.**
- Core values:
  - **Lean (effective/focused team)**
  - **Clean (zero tolerance for corruption)**
  - **Green (priority on sustainable and green investments)**





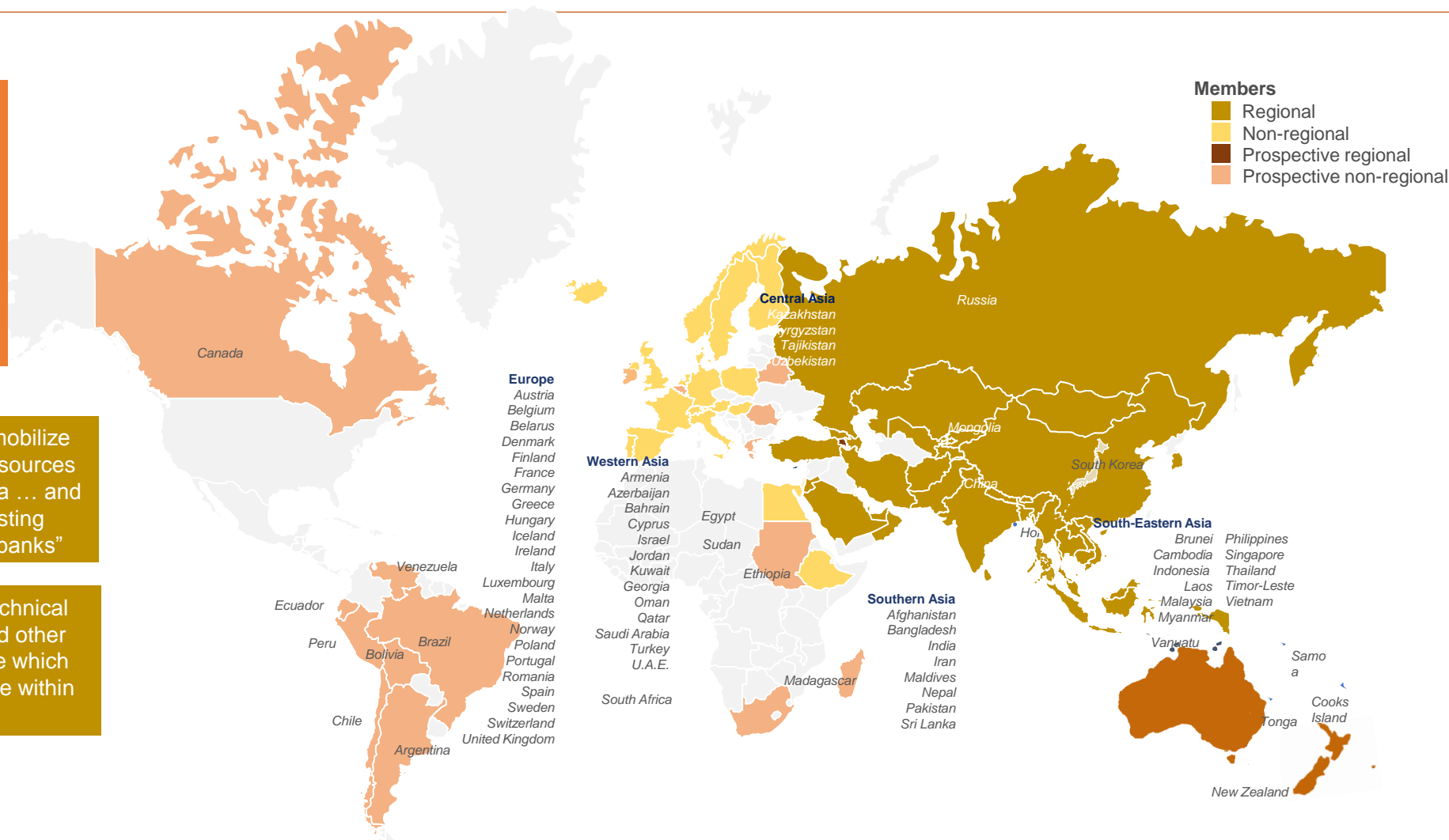
# AIIB's Profile (3): Overview of Shareholders

Membership in AIIB continues to be open to members of the IBRD or the ADB. Since launching in January 2016, **27 prospective new members** were **approved** to join AIIB, bringing the Bank's **total membership to 84**.

## Articles of Agreement

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

"The Bank may provide technical advice and assistance and other similar forms of assistance which serve its purpose and come within its functions. "



## AIIB's Profile (2): Strategy Sector

- **Thematic Priorities**

- Sustainable Infrastructure
- Cross-country Connectivity
- Private Capital Mobilization

- **Strategic Priorities**

- Energy
- Transport
- Sustainable Cities



# Products and Types of Financing

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## Public sector

- Sovereign-backed financing (requires sovereign guarantee)
- Loan, or Guarantee

## Private sector

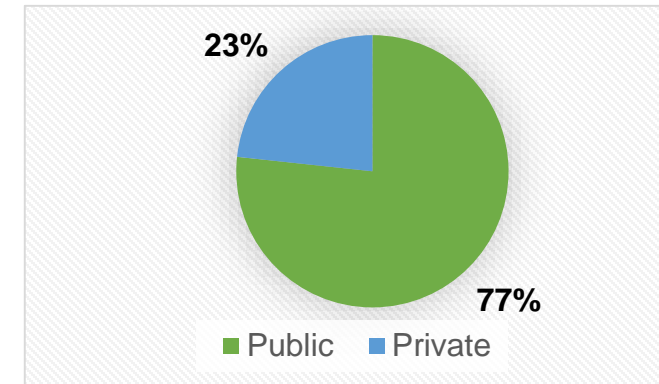
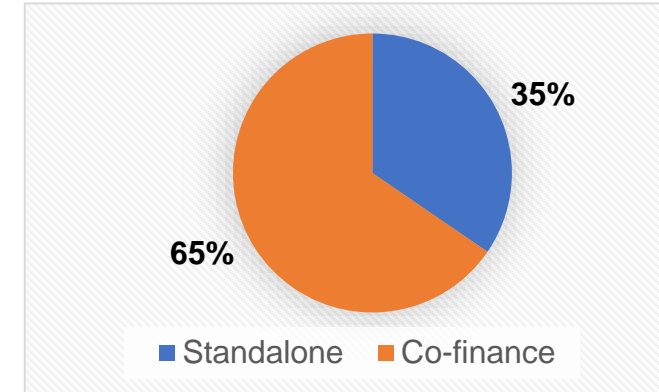
- Non Sovereign-backed financing (Private sector, SOEs, Sub-Sovereign, Municipalities)
- Debt
- Equity
- Others : Bonds, Credit enhancement, funds, etc.



# Project Profile (1)

- Total projects approved 2016 – 2018 (as of March 2018)

	Million USD	No. of Projects
Board approved	4,257	24
Standalone	1,471	8
Co-finance	2,786	16
Public	3,265	17
Private	992	7
Countries		12



By Value

# Project Profile (2)

Figure 1. SBF vs. NSBF by No. of projects

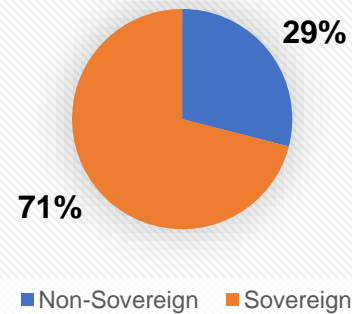


Figure 2. SBF vs. NSBF by Commitments

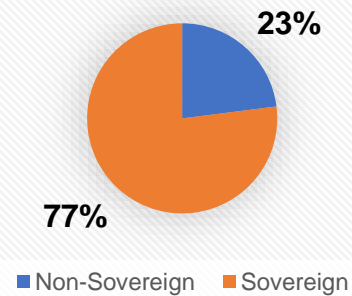


Figure 3. Sector distribution by No. of Projects

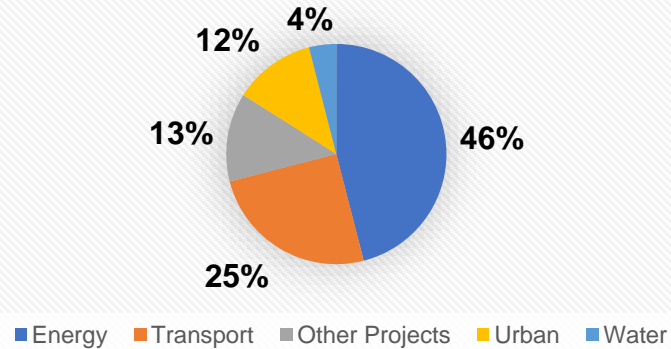


Figure 4. Sector distribution by Commitments

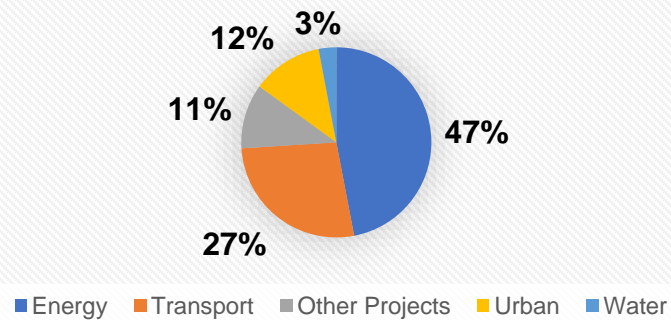


Figure 5. Co-financing vs. Stand-alone by No. of Projects

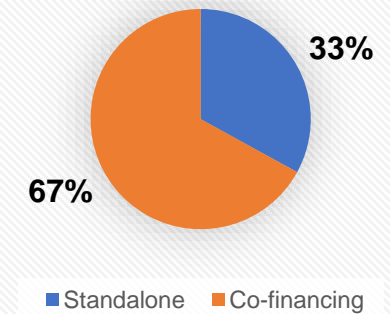
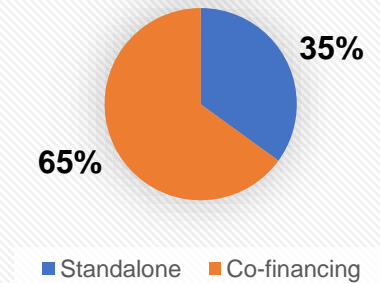


Figure 6. Co-financing vs. Stand-alone by Commitment





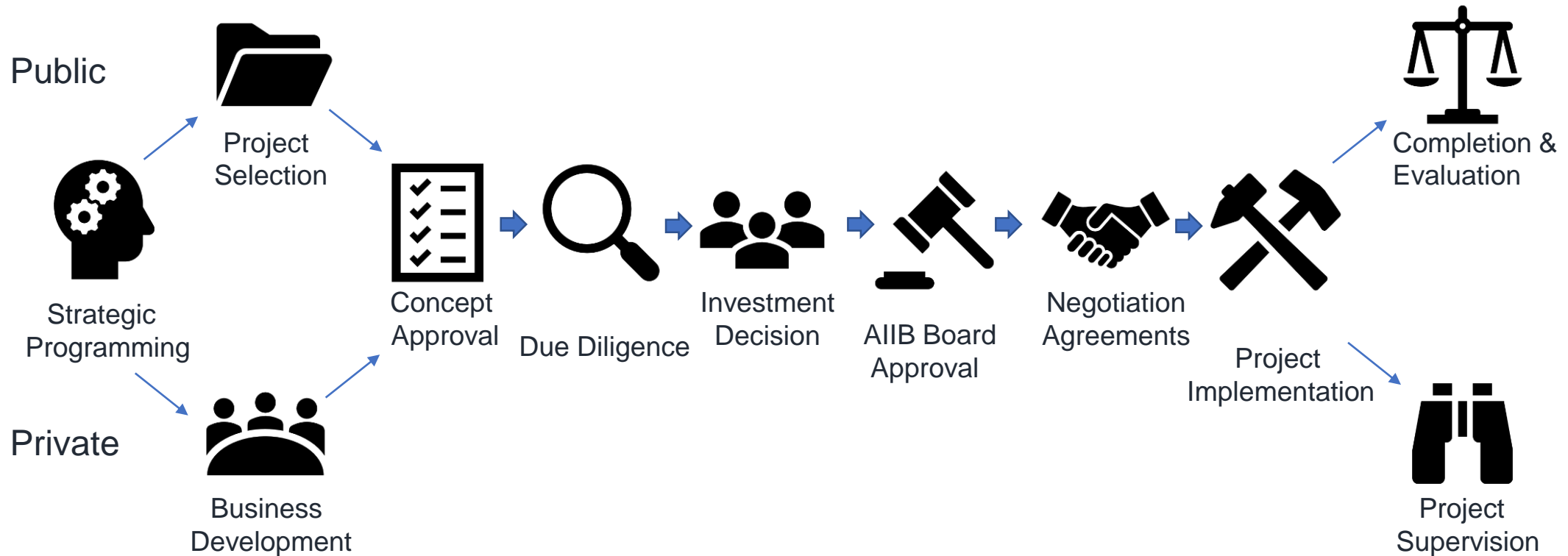
## AIIB and CAREC transportation vision & needs

- AIIB supports CAREC vision 2030 with a focus on regional connectivity, boosting investments in railway and roads regional corridors & building logistic hubs across the region
- AIIB Transport Sector Policy is still under internal discussion and it went through one round of consultation with the Board
- Asia has a large and diverse geography. For most transport sub-sectors, Asia continues to lag behind developed countries in infrastructure provision
- In terms of assessed demand, roads, rail, and aviation infrastructure demand would be relatively higher for CAREC Countries
- Both trade and economic development are closely linked, and good transport infrastructure is critical in this context



# Project Due Diligence (1)

- AIIB has an advanced Public and Private Sector approval track allowing more efficient and timely review and approval



# AIIB's Track Record in transport (1)

## *Duqm Port (Oman)*

- Standalone deal approved in December 2016
- USD265 million sovereign loan provided to the implementing agency (Duqm Port Authority)
- The Project is essential to achieve economic benefits from the development of Duqm Port development through improved transport efficiency, strengthened logistics services, facilitated mineral exports
- The port will represent the window of Oman the wide spectrum of industries in the new Duqm Special Economic Zone and its broader port hinterland



## AIIB's Track Record in transport (2)

### ***Bangalore Metro Rail Project – Line 6***

- Project to provide efficient and high-capacity north-south connectivity through the center of Bangalore by expanding the city's metro system.
- Line R6 is approximately 22 km long, and consists of 6 elevated stations and 12 underground stations.
- Projected to carry more than 300,000 average daily passengers.
- The project will enhance GHG emission reductions, improve overall mobility and travel times for passengers and reduce traffic congestion.

**AIIB financing: co-financing of sovereign loan with European Investment Bank (total cost \$1,785million, AIIB's portion \$335 million (or 19% of the project cost))**





# Projects on AIIB radar in Central Asia

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- **The 5 Nation Railway**
- **Afghanistan**
  - *Kabul Ring Road*
  - *2 solar projects*
- **Kazakhstan**
  - *Almaty Ring Road*
- **Uzbekistan**
  - *Electrification of Railway Network*



A black and white photograph of a winding mountain road. The road is paved and curves through a hilly, forested landscape. In the background, there are more mountains under a cloudy sky. The text "THANK YOU." is overlaid in white, sans-serif capital letters on the left side of the image.

THANK YOU.