

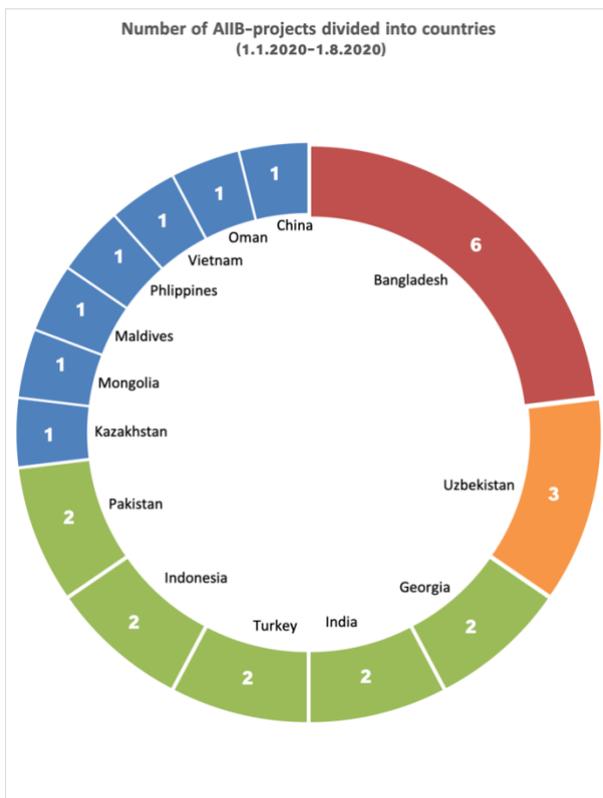


## A China-initiated Multilateral Bank after five years Overview AIIB Projects 2020

Since its establishment in 2015, the Asian Infrastructure Investment Bank (AIIB) has become a major global player in infrastructure finances. Together with an international alliance of regional and international NGOs urgewald monitors the China-dominated bank. According to the bank, non-regional shareholders (incl. many African states and Canada) hold 27% of the votes, with Germany being the largest (accord. to shares) non-regional shareholder. China hold 30% of all shares, the headquarter of the bank is located in Beijing, the President of the bank is nominated by the Chinese government.

Germany was among the first European countries to announce membership in the AIIB. The German government committed to upholding the “strongest environmental, social and governance standards”. Also, the bank itself promises to implement the highest standards. Now, after five years, following the 2020 annual meeting of the bank, NGOs from all over the world will review the implementation of AIIB policies and projects.

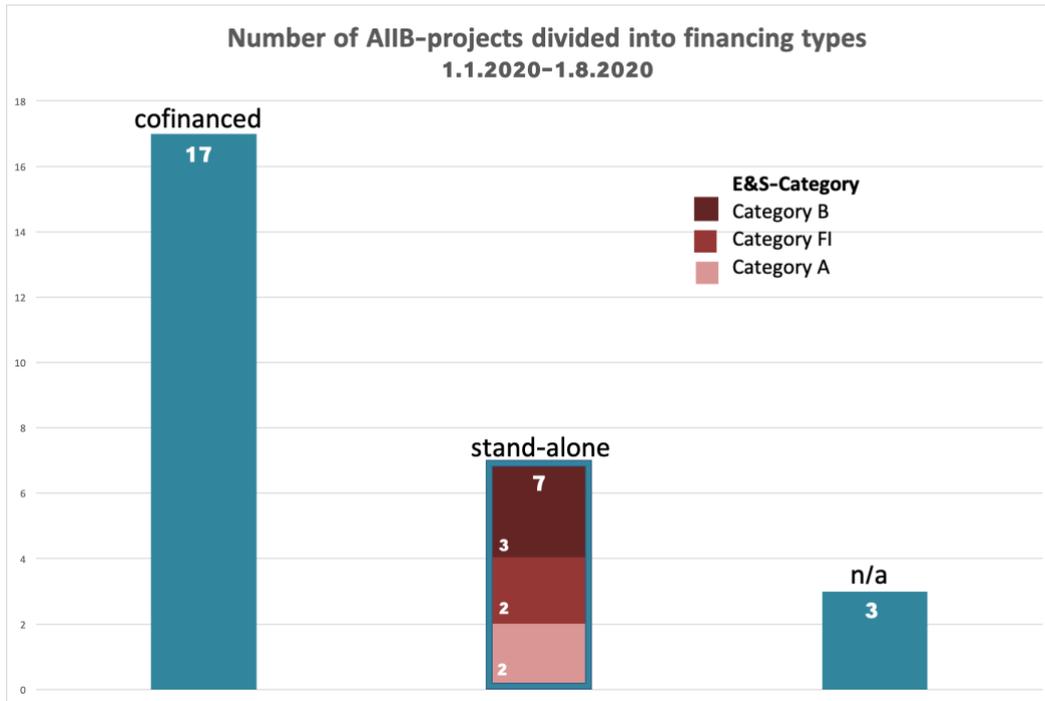
General problems concern the Environmental and Social Framework (adopted in 2016/ under review 2020/21), the outsourcing of standards via so-called country systems in co-financed projects, and several fundamental policies like the policy which regulates the access to information (PPI), the Project-affected People’s Mechanism (or PPM) or the “One-Director Rule”. In addition, a clear Paris Alignment through a Climate Protection Strategy is missing (see [Climate Scorecard](#)).



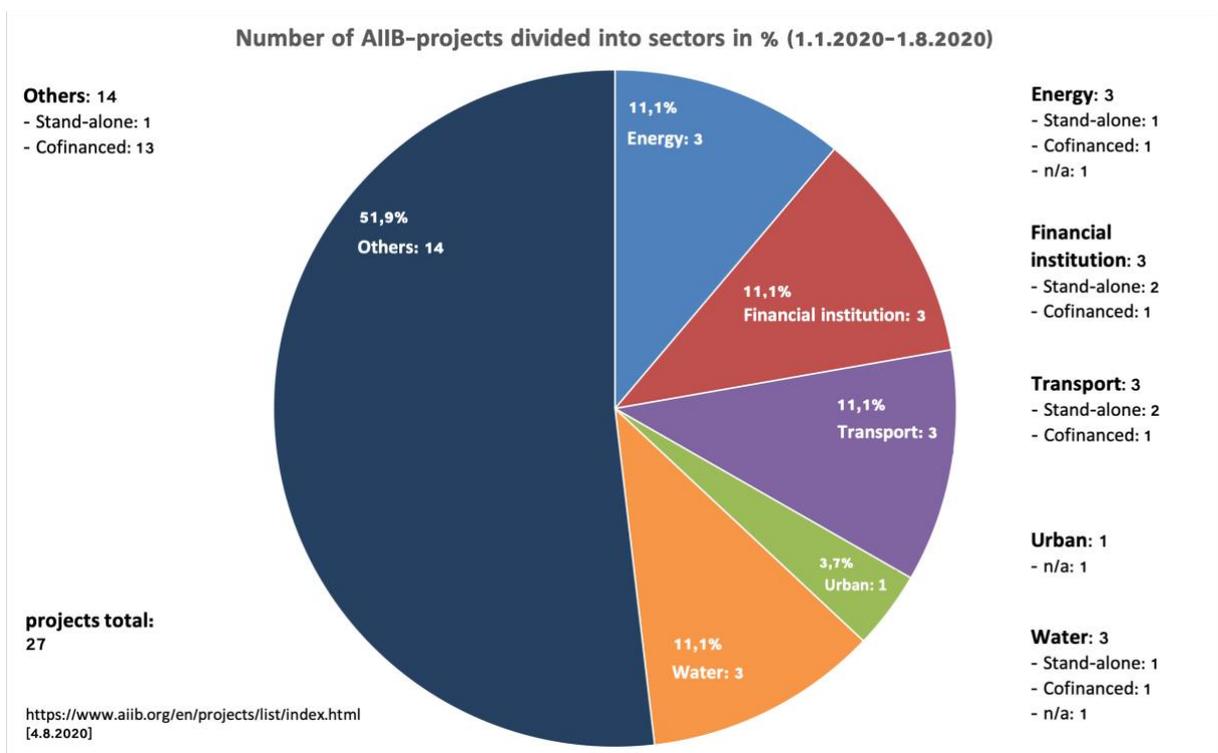
We would like to share some infographs for a quick overview on some features of the approved projects. As a briefing paper done by [Inclusive Development International](#) highlights, India, Bangladesh, Indonesia, Turkey and Pakistan received most approved projects 2015-today. 50% of all projects were located in South Asia. There is a trend to approve more high-risk projects (42% of all projects in the first three years were Category B, now the majority of proposed projects hold high-risk category A).

In 2020, we can see these trends confirmed: The majority of approved projects are located in Asia, nearly 50% in South Asia. Bangladesh is No.1 of approved AIIB projects. Also, only seven among 27

projects are stand-alone projects, meaning the environmental and social standards of the bank are applicable here. With two high-risk projects, one on water in Uzbekistan/ Bukhara and one on the transport section in Bangladesh the implementation of the standards needs to be closely monitored.



Overall, as we can see in the last chart, most of the approved project money is “hiding” in the sector “Others” which is made up of mainly co-financed COVID-19 Crisis Recovery Funds, or credit lines and health care projects, including one project on Fiji for support growth of the Private Sector. From April 2020 to Oct.16, 2021, the AIIB together with other MDBs like the World Bank and the IFC, the private arm of the World Bank, will pump 5-10 billion USD into the Crisis Recovery Facility, to both public and private sector entities. Control mechanisms and corruption early warning systems are not installed.



Projects Total (1.1.2020-1.8.2020): 27

## **Stand-alone projects:**

E&S-Category: A

1. Uzbekistan: Bukhara Region Water Supply and Sewerage (BRWSSP) (sector: water)
2. Bangladesh: Sylhet to Tamabi Road Upgrade Project (sector: transport)

E&S-Category: FI

1. Turkey: Covid-19 Credit Line Project (sector: transport)
2. Multicountry: Keppel Asia Infrastructure Fund (sector: financial institution)

E&S-Category: B

1. Uzbekistan: Bukhara Road Network Improvement Project - Phase 1 (sector: transport)
2. China: Emergency Assistance to China Public Health Infrastructure Project (sector: others)
3. Oman: Ibri II 500 MW Solar PV Independent Power Plant (sector: energy)

(written by Nora Sausmikat, with graphs by Leah Bartz)

## **For further information please consult:**

*Press releases:*

On AIIB 2020 annual meeting (in German): AIIB: Fünf Jahre nach Gründung immer noch keine Transparenz und Klimaschutz (<https://urgewald.org/medien/aiib-fuenf-jahre-gruendung-immer-noch-keine-transparenz-klimaschutz>)

On China in Bangladesh: Record cyclone hits Bay of Bengal: coal sponsored by China destroys natural safeguards, (China as a sponsor of coal amplifies environmental destruction in Bangladesh) <https://urgewald.org/medien/record-cyclone-hits-bay-bengal-coal-sponsored-china-destroys-natural-safeguards>

On environmental and social safeguards benchmarks for AIIB (3/2020): To protect Earth and People - Matrix of Benchmarks and Recommendations. AIIB ESF Review March 2020 ([https://urgewald.org/sites/default/files/media-files/ESF\\_review\\_benchmark\\_Matrix%20-%20urgewald%20and%20partners.pdf](https://urgewald.org/sites/default/files/media-files/ESF_review_benchmark_Matrix%20-%20urgewald%20and%20partners.pdf))

*Study on AIIB:*

The Asian Infrastructure Investment Bank (AIIB) - A Multilateral Bank where China sets the Rules, Heinrich Böll Foundation/urgewald e.V. ([https://urgewald.org/sites/default/files/media-files/Overview%20of%20AIIB%20projects%202020\\_Urgewald.pdf](https://urgewald.org/sites/default/files/media-files/Overview%20of%20AIIB%20projects%202020_Urgewald.pdf))