



## AIIB Brief on AIIB Projects from 01/01/2020 until 01/02/21

After our condensed [AIIB Brief](#) last year, incorporating briefings from our NGO colleagues from Recourse and International Development Institute, we will give here an update on the project pipeline from January 2020 until today.

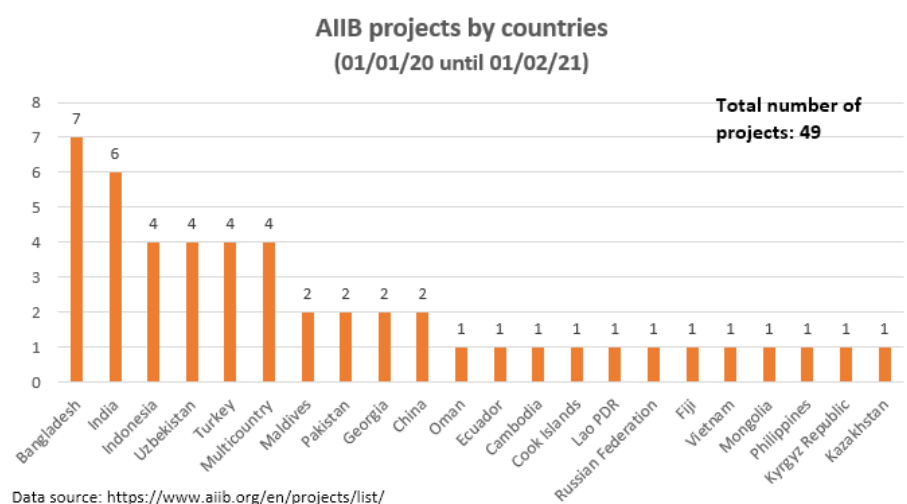
Since its establishment in 2015, the Asian Infrastructure Investment Bank (AIIB) has become a major global player in infrastructure finances. Together with an international alliance of regional and international NGOs urgewald monitors the bank. Non-regional shareholders (incl. many African states and Canada) hold 27% of the votes, with Germany being the largest (accord. to shares) non-regional shareholder. China holds around 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.

General problems concern the Environmental and Social Framework (adopted in 2016/ under review 2020/21), the outsourcing of standards via so-called country systems as well as in co-financed projects, and several fundamental policies like the policy which regulates the access to information (PPI), or the Project-affected People’s Mechanism (or PPM). 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 from beginning 2020 until now.

**Regional:** The majority of approved projects, are located in Asia, and nearly 50% in South Asia. The one-year screening of newly approved projects shows that Bangladesh moved from [No. 2](#) to No. 1., followed by India, Indonesia, Turkey, Uzbekistan and multi-country projects.

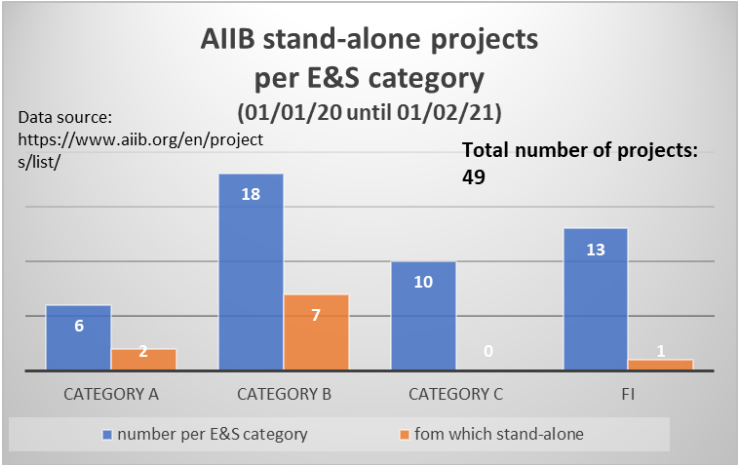


**High risk categories:** In the newly approved projects, we see the majority are Cat. B (37%) and FI (27%) categories. In the first three years, the amount of Cat. B (less-riskier) projects has been 42%. The last year we saw 12% approved high-risk Cat. A projects in only one year.

Compared to 32% Cat. A projects in the first three AIIB years, this does not indicate a dramatic change in high-risk portfolio. Among the high-risk Cat. A projects, all are sovereign loans, which means that the citizens have to pay twice: environmental-high invasive projects, secured by tax money.

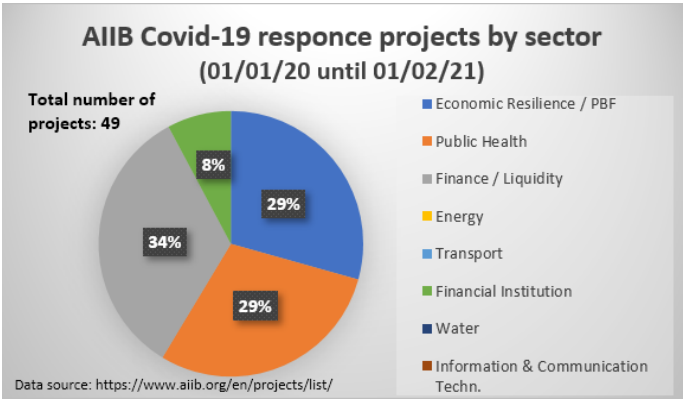
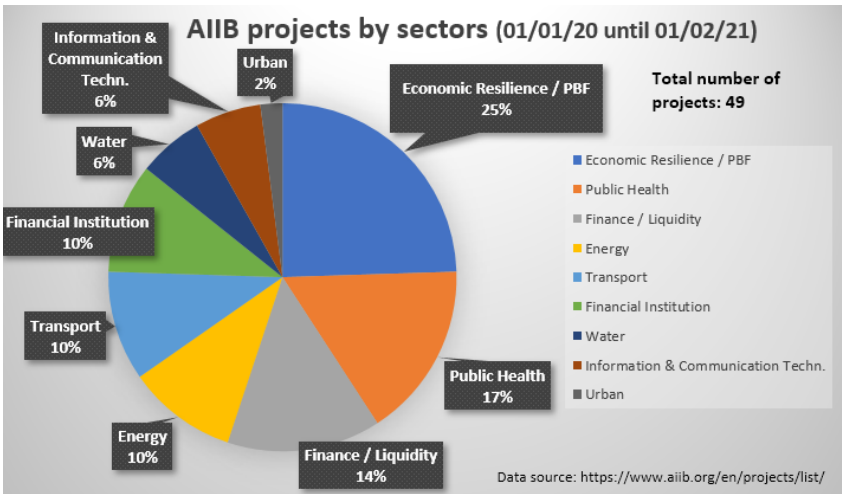
What needs to be mentioned is the massive approval in FI lending during the last year. This type of lending makes it difficult to follow-up upon since there is no information given on the projects lists.

**Co-financed:** From January 2020 until now, 10 out of 49 are stand-alone projects, from which most belong to the energy and transport sector (3 each) and the majority is characterized as Category B. The last year saw with 33% a slight increase of stand-alone Cat. A projects compared to 28 % in 2017-2020.



**Sector wise**, we can see that nearly half of the lending went into non-sector specific categories like economic resilience facilities, financial institutions, or finance/liquidity.

Due to Covid-19 pandemic situation, this type of lending is predominant. It poses a high responsibility and challenge for all shareholders to guarantee the safeguard monitoring and implementation for these loans.



**AIIB and Covid-19:** In total 45% of the projects are Covid-19 responses. Most belong to the three sectors Finance/Liquidity, Economic Resilience/PBF and Public Health.

**Text:** Charlotte Griestop, Nora Sausmikat

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

How environmentally friendly and socially just is the AIIB? - by CSOs-for CSOs - overview of case studies on AIIB financed projects coordinated by urgewald e.v. (NOV 2020)

<https://urgewald.org/aiib-monitor>

### *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 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)

### *Studies on AIIB:*

Vöcking & Sausmikat (2020): Geld für die Seidenstraße - Die Asiatische Infrastruktur Investitionsbank als Akteur der Belt and Road Initiative, Rosa Luxemburg Stiftung

<https://www.rosalux.de/news/id/43416/geld-fuer-die-seidenstrasse>

Rudyak M. (2020): Who is Who in the Chinese Lending Institutional Landscape, urgewald e.V.

<https://urgewald.org/node/865>

Horta K (2019): 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)

### *Additional Sources:*

International Development Institute: Time to raise the bar

<https://www.inclusivedevelopment.net/wp-content/uploads/2020/05/aiib-briefer-time-to-raise-the-bar-web-version.pdf>

Explainer: Latin America and the AIIB

<https://dialogochino.net/en/trade-investment/39049-explainer-latin-america-aiib-the-asian-infrastructure-investment-bank/>

Europe pushes for higher standards on climate at AIIB

<https://chinadialogue.net/en/business/europe-pushes-for-higher-standards-on-climate-at-aiib/>