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The China-led AIIB, a geopolitical tool?

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Executive summary

The establishment of the Asian Infrastructure Investment Bank (AIIB) in 2016, on a Chinese initiative, constituted an attempt to bridge the gap in infrastructure financing in Asia. However, it was also perceived in the West as a potential vehicle for China's geostrategic agendas, fueling the suspicion that the institution might compete rather than align with existing multilateral development banks (MDBs) and impose its own standards.

After almost a decade of existence, the AIIB seems to have proven such critics wrong. It has managed to establish its credentials, has cooperated with other MDBs as well as with national development assistance agencies and aligned with their standards and operating practices. The bank has also expanded its scope of activities both geographically and in terms of sectors. Going beyond infrastructure financing, the AIIB has established a special facility to help developing countries recover after the Covid-19 pandemic.

Despite these positive achievements, several of the initial concerns have not been fully placated, and some signs point to possible dangers in the years to come.

While the AIIB could not be shown to be the main financing instrument of President Xi's flagship project (Belt and Road Initiative - BRI), the conditions may now be in place for China to turn the institution into a geopolitical tool.

Although there is no evidence so far of Chinese Communist Party's (CCP) interference in the internal governance of the bank, the concentration of power in the hands of the bank's President (at the expense of the board of directors) is a source of concern. Moreover, the increasingly heavy-handed assertive China should not be taken lightly and calls for utmost caution on the part of the bank's members.

Lastly, the AIIB's performance in terms of environmental and social standards calls for tighter oversight.

Policy recommendations

The AIIB has proven its usefulness as a complement to other MDBs. EU member countries should keep cooperating with the bank while making full use of their oversight capacity over its activities.

First, more EU member states (smaller EUMS in particular). should be encouraged to join. With more EU countries as members, they will have more of a say.

Secondly, it is desirable to maintain or even enhance coordination among European countries within the Eurozone and the wider Europe chairs of the board of directors.

Thirdly, European countries should push for synergies with other MDBs and national development finance institutions (DFIs), making sure that the AIIB stays aligned with other MDB's operating practices and standards, with regard in particular to social and environmental standards.

Lastly, EU countries should lobby to get the bank's presidency to rotate in the next election due in January 2026.

Introduction

In a widely-commented report published in 2017, the Asian Development Bank (ADB) estimated that developing Asia would need to invest US$26 trillion from 2016 to 2030, or US$1.7 trillion per year, in infrastructure until 2030 to maintain its growth momentum, tackle poverty, and respond to climate change.[1] The US$ 1.7 trillion annual estimate, that is more than double the US$ 750 billion ADB estimated in 2009,[2] would likely require mobilizing public and private sources of financing, as well as new sources of long-term development finance.

In this context, there was room for another development bank and China's proposal to create a new multilateral lending institution (MLI) that would specialize in infrastructure financing was undoubtedly a welcome initiative. Although the China-led Asian Infrastructure Investment Bank (AIIB) was expected to help bridge the infrastructure financing gaps highlighted in the ADB report, the Chinese initiative proved divisive. While it was met with enthusiasm and garnered immediate support in developing Asia it was met with caution, even skepticism, in the West, where concerns arose about the future institution's likely lack of transparency and accountability, and more generally about it being potentially a tool of China's economic statecraft.

This policy brief examines in detail the operations of the AIIB during its first decade of existence, assesses the validity of the concerns initially expressed by most Western partners, including EU member countries, and concludes with recommendations on how to mitigate the risks and make the best of the institution going forward.

Origins and Evolution

China announced plans to create the AIIB as early as 2013,[3] and the bank was officially established on 16 January 2016 with a significant capital endowment of US$100 billion[4] by 57 founding members (37 regional[5] and 20 non-regional). Managing to get so many countries (from all over the world) to join was undoubtedly beyond the initiators' expectations.

At the time, there was a discussion among EU member states whether or not to join, as the Obama administration lobbied hard for its allies to remain on the outside.[6] The official reason provided by the US not to join was the concern about the institution's accountability and transparency in terms of how the bank was going to operate. But the crux of the matter is that US officials viewed the creation of the AIIB as a sign of China's expanding soft power and a challenge to US influence around the world.

After some hesitation, three large EU member states - France, Germany and Italy - decided to join the bank as early as 2016,[7] following the UK's move in 2015.[8] China's informal promise to forego veto power is thought by some to have been the key factor in winning those European countries' adhesion to the bank.[9]

Eventually, the bank's membership (and prospective membership) kept growing to reach 110 countries as of September 2024[10]: 53 regional member-countries (48 fully ratified Members and 5 prospective) and 57 non-regional member countries (48 fully ratified Members and 9 prospective). These collectively represent approximately 81% of the global population and 65% of the global GDP. Among the MLIs, only the World Bank can boast a larger membership base (with 190 members).[11]

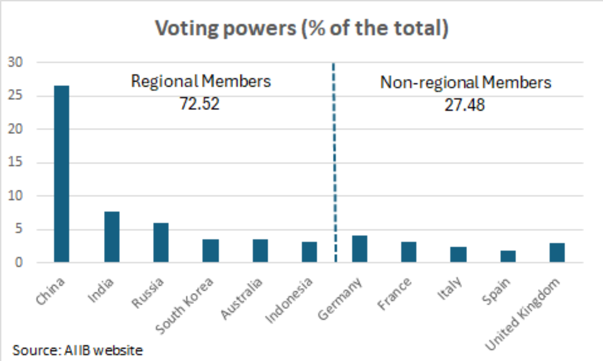
Among the non-regional members, 20 are EU member states (EUMS). The missing EUMS are Bulgaria, Czech Republic, Estonia, Latvia, Lithuania, Slovakia and Slovenia.

Non-Asian countries of the Global South are also well-represented: so far 19 African countries have joined the AIIB, including Algeria, Benin, Cote d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Rwanda, and Tunisia, while Mauritania, Nigeria, Senegal and Tanzania are prospective members. Six Latin American countries are also full members (Argentina, Brazil, Chile, Ecuador, Peru, Uruguay) while three others are prospective members (Bolivia, El Salvador, and Venezuela).

Although it is a multilateral development bank focused on developing Asia, the AIIB has members from all over the world, and the wide support it enjoyed very early on is a testament to the organization's perceived added value.

As is standard with multilateral development banks, the voting rights are proportional to the member's contribution to the bank's capital stock but founding members and the largest shareholder (China) enjoy extra shares that give them more decision-making authority. With the largest contribution, US$ 29.78 billion (that accounts for 30.7% of the total capital), China holds the largest share of voting rights (26.6%, Figure 1).[12]

Figure 1



Since all major decisions (including approval of major operational and financial policies or the election of the president) require a super-majority of not less than three-quarters of the total voting power, China holds a *de facto* veto, and nothing can be decided against its wishes. This situation immediately begs the question as to the institution's independence.

However, with 23.9% voting power, European shareholders can also exert significant influence and prevent a three-quarters majority, if they manage to act jointly with other like-minded countries.[13]

A final interesting feature of the AIIB is that it claims to be "lean". While its lending portfolio is about a third of that of the ADB, it has less than 10% of the staff. The Bank officially hired its 500th staff member in August 2023 and aims to increase its staff headcount to 800-900 by 2030, a figure that remains much smaller than in other MDBs.[14] Also, in the name of efficiency, the bank has chosen to have a non-resident board of directors.

SCOPE AND TYPES OF ACTIVITIES

Where the AIIB operates

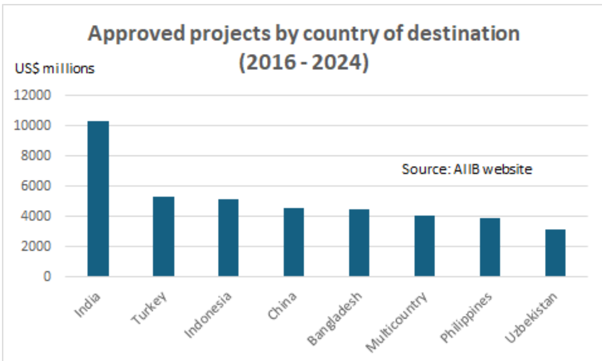
The AIIB officially opened for business in January 2016. In its early years of existence (2016 – 2019), the bank's investments were largely consistent with the focus of its foundational documents (Articles of Agreement), giving priority to Asian countries.

In 2020, the bank started venturing outside of Asia when it partnered with the World Bank to provide a US$ 50 million sovereign guaranteed loan to Ecuador's largest public bank, Corporacion Financiera Nacional (CFN) to address liquidity constraints faced by micro-, small-, and medium-sized Ecuadorian enterprises due to the Covid-19 pandemic.[15] As the first project approved by the AIIB in Latin America, this loan attracted the interest of not only the other Latin American members, such as Argentina, Brazil, Chile, and Uruguay, but also the countries that had not yet become members: Bolivia, Peru,[16] and Venezuela.[17]

In the following years the AIIB expanded its reach further to Africa (Rwanda), Europe (Hungary) and other parts of Latin America (Argentina, Brazil). Overall, during its first decade of operations, AIIB has targeted 37 countries. While the bulk[18] of approved projects are still located in Asia (widely defined to include Central Asia[19] and Turkey), there are also a few projects in non-regional member countries from Africa (Côte d'Ivoire, Egypt, Rwanda[20]) or Europe (Hungary[21], Romania).

Among the regional member countries, India ranks as the number one target, almost double that of the next largest borrowers (Turkey and Indonesia, Figure 2). As well as being the second largest shareholder, India is the AIIB's largest borrower by number of projects (50) as well as by value, with US$ 10.3 billion (about 20% of AIIB's total portfolio) worth of projects.

Figure 2



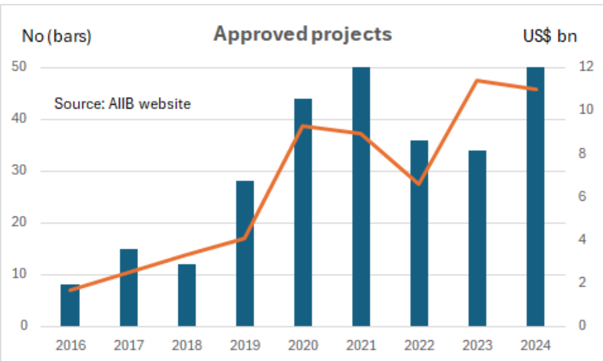
In India, although the projects cover a wide range of activities, they primarily focus on transport and energy, with funding for projects spanning dam rehabilitation, the construction of metro lines in various cities, or the enhancement of the Intra-State Transmission System in Assal or Tamil-Nadu.

Given the souring China–India relation, the latter's enthusiasm in supporting the AIIB may come as a surprise, but it should be seen as a testament to the perceived apolitical nature of the institution. As explained by India's Ministry of Foreign Affairs, Subramanyam Jaishankar, unlike what was the case with the BRI, "Indian officials felt involved in the bank's development rather than pressured to acknowledge its looming existence." Moreover, and perhaps more importantly, the AIIB's goals align closely with the Indian government's development objectives, more specifically with its emphasis on the development of transportation infrastructure.[22]

Widening its scope, building up its credentials

Over its first 9 years of existence, the bank has approved 303 projects (as of end-December 2024), with financing worth US$ 58.9 billion (Figure 3),[23] distributed as 59% for governments (sovereign financing) and 41% for private entities (non-sovereign financing).[24] Almost all AIIB financing consists of loans, but the bank also invests in equity funds. The AIIB does not offer financing under concessional terms, however its "Project Preparation Special Fund" provides grants to low-income countries for project preparation to be financed by the bank.

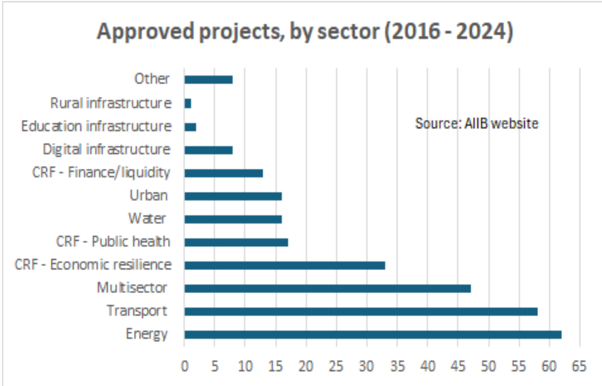
Figure 3



In terms of sectors, the AIIB's lending focus on sustainable infrastructure and connectivity is reflected in the types of projects it has funded. As of end-December 2024, 22% of AIIB approved projects are in the energy sector, 21% in transportation, and 17% cut across different sectors (Figure 4).

Interestingly, the bank demonstrated adaptability in response to the challenge imposed by the Covid-19 pandemic. The bank expanded its operational scope from mostly traditional heavy infrastructure lending to Covid-19 recovery financing through the creation of the Crisis Recovery Facility (CRF).[25]

Figure 4



The CRF aimed at supporting the bank's members and clients in alleviating and mitigating economic, financial and public health pressures arising from Covid-19.[26] Created in 2020 the Facility had an initial duration of 18 months and a size of US$ 5 billion, but due to high client demand, it was subsequently expanded and extended to US$ 13 billion until April 2022 and again to a total financing of US$ 20 billion through the end of 2023.

As of December 2023, 68 Facility projects had been approved under the CRF, totaling US$ 18.48 billion across 26 Members, accounting for 11% of the bank's total funding. These projects can be broken down as follows: US$ 11.58 billion (63%) policy-based financing, US$ 3.78 billion (20%) public health, of which US$ 2.07 billion are vaccine financings; US$ 2.51 billion (14%) for financial intermediary/liquidity support; US$ 0.61 billion (3%) for economic resilience.

Next to widening the scope of its activities, the AIIB has managed to emerge over time as a trustworthy institution. Non-performing loans have remained low, accounting for just 0.4% of total loans at end-2023.[27] The AIIB benefits from 'strong' preferred creditor status (PCS), which has supported the bank's sovereign loan performance, including from those facing financial stress like Sri Lanka.

Since its creation, the AIIB has developed robust operational guidelines and standards, and it has managed to establish its credentials and keep its AAA rating from the major rating agencies such as Moody's and S&P.

AN INTERIM ASSESSMENT: SO FAR, SO GOOD, BUT ...

The AIIB has emerged as a successful institution that has gained credibility over time and increased its scope of operations. However, the initial sources of concern remain and have been compounded by new issues. The number one concern was that the AIIB would be a vehicle for Chinese geostrategic goals, but there were also doubts about the bank's ability to keep up to the standards followed by other MDBs and meet environmental and social safeguards. These sources of concern are examined in turn.

The AIIB and China's geopolitical agenda

At the time of its creation, the AIIB was met with skepticism, even suspicion, and many critics saw it as a potential tool for propagating China's influence and as the financing arm of President Xi's flagship project, the Belt and Road Initiative (BRI).

Raising the profile of China in the international economic system is perhaps the first but not the only purpose of the AIIB. China has overcapacity problems in industries that are related to infrastructure, such as cement, iron and steel, therefore an emphasis on infrastructure also caters to China's own economic needs.[28] This explains the connection made between the two initiatives (BRI and AIIB). Also, with the first mention of the AIIB dating back to 2013, the very year the BRI was launched, the association between the two seemed even more obvious.

These concerns have apparently been exaggerated. First, in the early years of the AIIB, the bank's senior officials made a point of stressing that the bank was not a Chinese, but rather a multilateral entity, and that it distinguished itself by applying the highest, worldclass standards, and that it was something really different from the BRI.[29] Although the official discourse may have slightly shifted over time,[30] empirical evidence suggests that the AIIB is far from being the main instrument of BRI financing. The two initiatives have functioned separately, and BRI projects are primarily funded through China's two main policy banks (China Development Bank and China Export-Import Bank), while the AIIB plays a minor role.[31]

The case of India, which is a fierce opponent to the BRI but the number one beneficiary of AIIB financing, suggests that the two initiatives are not as tightly connected as argued by some observers.

More broadly, that China is using the bank as an instrument in its foreign policy portfolio is still debatable. Again, despite the deterioration of China – India ties from 2020, India's status as the bank's largest beneficiary upholds the AIIB's independence and its character as a multilateral institution. Given India's need for infrastructure financing and its economic importance to the region, this would seem to suggest a rather impartial, needs-based assessment of where to lend. At the same time, however, AIIB loans have gone to traditional Chinese allies such as Pakistan. Anecdotal evidence thus remains mixed at best on the question of whether AIIB lending follows Chinese political-economic interests.[32]

AIIB alignment with other MDBs

Further evidence that the nexus between AIIB and geopolitical goals is questionable relates to the bank's alignment with the lending standards of other MDBs'.

Although the AIIB is often pictured as a rival to the World Bank and other MLIs, during its first years of operation it has systematically engaged in co-financing with other MDBs. The bank has used its capital to back some World Bank loans and has cooperated with other institutions such as the ADB, the European Investment Bank (EIB, primarily in Eastern Europe) the European Bank for Reconstruction and Development (EBRD, primarily in Central Asia) as well as with national development financing institutions, such as the French Development Agency (AFD).[33]

To be fair, by "multilateralizing" its support to infrastructure development in the developing world, China may also be seeking to defuse the criticisms that are often brought against perceived Chinese economic intrusion through the operations of the two policy banks (China Development Bank and China Export-Import Bank.[34]

In a nutshell, the bank has proven relatively cautious so far, but the past is not necessarily a good guide for the future, and AIIB's alignment with traditional standards may not last.

Over time the AIIB has increased its share of stand-alone projects and decreased the share of loans cofinanced with other MLIs such as the World Bank Group and the

European Investment Bank. While this share stood at 67% as of June 2018, it dropped to 54% as of December 2021[35] and to 43% as of September 2023.[36]

The AIIB is gradually preparing to enter a new stage in its development by increasingly developing its own lending pipeline without referrals from other banks. While the rise in the share of stand-alone projects is generally seen as positive and as a sign of maturity, there is a concern that in its stand-alone financed projects, the AIIB may not exercise the same level of conditionality as in the jointly financed projects. The AIIB is marketing itself as being more flexible, more efficient and more responsive, and this may be at the expense of mandatory standards and accountability. The fear that China may gradually seek to impose looser standards and practices is thus not fully ill-founded.

Struggling with environmental and social standards

A further source of concern relates to the AIIB's ability to embrace strong environmental and social safeguards. Large-scale infrastructure projects by their very nature carry high environmental and social risks. The bank's Environmental and Social Framework (ESF) aims at achieving environmentally and socially sustainable development outcomes by integrating good international practice. Although the bank's commitments may be good on paper, things are different when it comes to implementation, and the AIIB is often said to fall short of its peers in terms of environmental and social safeguards.

During its first years of operations, for every US$ 1 the Bank has invested in renewable energy, it has spent almost twice as much on fossil fuel projects[37]. To be fair, approved projects of late tend to demonstrate an increase in the share of renewable energy projects. Moreover, the AIIB has updated its ESF several times to make it increasingly demanding. The latest update was approved on 26 June 2024, introducing provisions for the newly approved Climate Policy-based Financing instrument. However, whether the Bank will succeed in turning its words into action remains to be seen.

Similar concerns remain regarding social standards. An interesting case study is the Mandalika project in Indonesia, [38] the objective of which is to provide sustainable core infrastructure for the development of a new tourism destination in the Mandalika region of Lombok. The AIIB has offered US$ 248.4 million in loans – equivalent to 78.5% of the project's total funding. The snag is that the project has led to the displacement of local communities with insufficient, and at times close to no compensation.

Issues of internal governance

A final source of concern relates to the internal governance of the AIIB. The AIIB's motto is to be "lean, clean and green". Although *prima facie* positive, this motto may lead to perverse effects.

As part of its endeavor to be "lean", in contrast to other MDBs, the AIIB does not have representative offices in any client countries[39], nor does it have a resident board of executive directors that represents member countries' interests on a day-to-day basis. Although such features aim at enhancing the bank's efficiency, they may also turn out to be problematic. First, the absence of representative offices severely limits the ability to monitor projects. Secondly, the non-resident status of the board of directors is likely to strengthen the power of the president.

The board of directors is responsible for the direction and management of the bank such as the bank's strategy, annual plan and budget, and establishing policies and oversight procedures. It also has the authority to take decisions on the financing operations of the bank. As it is not based at the bank's headquarters, the non-resident board only meets periodically during the year and can opt to hold electronic meetings or decide on a matter without holding a meeting, but its ability to offer effective safeguards is likely to be limited.[40]

Another important feature is that the board of directors may delegate the decision-making power on project financing to the president. The "Accountability Framework" that took effect in January 2019 formalizes the delegation of authority on project financing from the board of directors to the AIIB's president. As a result, the AIIB president can decide on the financing of projects for up to US$ 200 million for the public sector, US$ 100 million for the private sector, and US$ 35 million for equity investments.

Through this mechanism, more and more power has been concentrated over time in the hands of the president who can approve funding decisions independently from the board of directors.

Also, due to the declining role granted to the non-resident board of directors, exercising oversight functions is no easy task.[41]

This is all the more concerning as developments in China's domestic policy and its initiatives on the foreign policy front reflect an increasingly heavy-handed stance on the part of China's leadership.

A recent controversy has further fueled such concerns. In June 2023, the AIIB's Director of Communications, a Canadian national, resigned from the institution after accusing the Chinese Communist Party (CCP) of wielding excessive influence over the bank and its operations.[42] As a result, Canada declared a "freeze" in its relations with the bank and launched a review to investigate its officer's allegations.

The AIIB responded to the controversy by carrying out its own internal investigation. While acknowledging cultural challenges, the internal review rejected the label of a 'toxic' environment and found no evidence of inappropriate interference by the CCP or any other national political body, highlighting the bank's robust governance and internal processes.

One may reasonably believe that China is unlikely to risk compromising the key benefit it has gained from the AIIB, (which is demonstrating that it can responsibly lead a respected MDB with high operational standards[43]), but suspicions of increasing interference by the largest shareholder may not be fully ill-founded in the current Chinese political context. To be sure, these suspicions should not be taken lightly as they may fuel a reputational crisis and create downward pressure on the rating of the bank.

THE WAY FORWARD FOR THE EU

The AIIB has established itself over time as a major player in development finance and has usefully complemented the MDB family. The bank's growing membership suggests that the institution is perceived as legitimate. With the US cutting down on development assistance and threatening to reduce its participation in various multilateral institutions,[44] China's contribution appears to be more necessary than ever.

In addition, the way the bank operates has been on the whole reassuring so far. There has not been overwhelming evidence that the AIIB has been used by China as a tool to advance its economic and foreign policy objectives. Far to the contrary, the AIIB has been cooperative with existing comparable institutions. There are thus no reasons for EU member countries to stop cooperating with the AIIB. But they must remain vigilant, and even more so in the presence of some warning signs.

The reasons for anticipating changes are many. First, the recent evolution of China's leadership calls for alertness and caution. The CCP has increasingly tightened its grip on domestic civil society and the media, and has largely silenced defenders of human rights and even public health. Secondly, within the AIIB, the concentration of power in the hands of the president is a further source of concern. Also, the episode with the global communications chief's resignation raised doubts about the institution's independence and the influence of the CCP. Although the Canadian representative's allegations could not be vindicated, a tighter oversight of the institution's activities and practices is no doubt warranted. It is worth stressing that signs of interference by China may have a negative impact on the rating of the bank.

Unlike financing operations by the CDB and China Exim Bank, the AIIB's activities can be scrutinized by other countries since shareholder governments have the capacity to closely monitor the design and implementation of AIIB-supported projects. In this context, the EU member states would be well advised to make full use of their oversight capacity over the AIIB's activities. To that end, several steps are in order.

First, it would be helpful if a larger number of EUMS joined the institution. This should be easily achieved as a simple majority is required to admit new members. As explained earlier, EU countries can exert pressure if they are joined by like-minded countries, and with more EU member states joining the institution, they will have even more of a say.

Secondly, it is desirable to maintain or even enhance coordination among European countries within the two chairs where they are represented in the board of directors (the Eurozone and the wider Europe chairs).

Thirdly, the EU countries should make sure that the AIIB stays aligned with other MDB's operating practices and standards.

Lastly, the next election of the AIIB's president, due in January 2026, may provide an excellent opportunity for EU member countries to seek to curb China's influence over the bank's future direction. The bank's current president is a Chinese national, Jin Liqun, who was elected to a second five-year term that started in January 2021. According to the bank's Articles of Agreement, the president is required to be a national of a regional member country,[45] and the selection processes for both President and Vice-Presidents are required to be "open, transparent and merit-based".[46] The Super Majority required to elect the bank's President grants China significant, if not unlimited, control over the process. However, for the next election, the European member countries could engage in some form of lobbying so that the bank's presidency is allowed to rotate. This will undoubtedly not be an easy task and would also require genuine efforts on the part of EU governments. To be more specific, these governments should accept to carry out deep reforms in other MLIs, in particular by putting an end to the unwritten (but unbroken) nationality traditions for the heads of International Bank for Reconstruction and Development (IBRD) (US), International Monetary Fund (IMF) (European), or Asian Development Bank (ADB) (Japanese). Absent such efforts, it will likely be difficult to get China to accept to drop its direct control over the AIIB. However, by participating in the AIIB, European countries brought credibility and respectability to the bank. These are assets they can leverage.

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SOURCES

[1] ADB, *Meeting Asia's Infrastructure Needs*, Manila, February 2017.

[2] These are estimates from an earlier ADB report: *Infrastructure for a Seamless Asia (Seamless Asia),* 2009.

[3] President Xi Jinping floated the idea during an APEC meeting in Jakarta, where he stressed the need for enhanced connectivity and infrastructure development in Asia. By October 2014, 22 Asian countries, under China's leadership, had concluded a Memorandum of Understanding on establishing the AIIB.

[4] With 20% paid-in and 80% callable capital.

[5] Are considered "regional" the countries located in Asia and Oceania, as defined by the United Nations.

[6] At first, Australia, Japan and South Korea followed the US. Today, only Japan is not an AIIB member.

[7] Ireland, Greece, Portugal and Spain joined later.

[8] This happened during the so-called "golden era of relations" between the UK and China, under PM David Cameron.

[9] Yelin Hong, "The AIIB is seen very differently in the US, Europe and China", *The Diplomat*, 8 May 2015 https://thediplomat.com/2015/05/the-aiib-is-seen-very-differently-in-the-us-europe-and-china/

[10] The Republic of Nauru was the latest regional member country to join during the Bank's 2024 Annual Meeting held in Samarkand in September 2024.

[11] From 31 members at its establishment in 1966, the Asian Development Bank (ADB) has grown to encompass 69 members today.

[12] India is the next-largest shareholder with less than 8% of voting power.

[13] Out of the bank's 12 voting-rights constituencies (which bundle the shareholdings of a group of regional or non-regional members), nine represent regional members and three represent non-regional members. Europe has two constituencies: the euro-area constituency, which holds 16% of the voting rights, and the Wider Europe constituency, that brings together the United Kingdom, the Scandinavian countries, the Eastern European countries that are members of the Bank and Switzerland and holds 7 % of the voting rights. The EMS (i.e. Euro Chair and part of wider Europe chair) together are the second largest shareholder of the AIIB and hold more than 20 % of the capital, giving them 20.8 % of the voting rights.

[14] In comparison, the World Bank Group has more than 10 000 staff and the ADB more than 3300.

[15] https://www.csis.org/analysis/what-do-asian-infrastructure-investment-banks-recent-forays-outside-asia-mean

[16] Peru joined in January 2022.

[17] Juan Manuel Haran, "Ecuador and the first AIIB project in Latin America", *The Diplomat*, 10 December 2021. https://thediplomat.com/2021/12/ecuador-and-the-first-aiib-project-in-latin-america/

[18] 94% of the bank's portfolio in value terms.

[19] Kazakhstan, Tajikistan, and Uzbekistan. According to the AIIB itself, "Asia" (or regional members) encompasses Central Asia, Caucasus, as well as Middle Eastern countries. https://devpolicy.org/assessing-the-asian-infrastructure-investment-bank-20220817/

[20] In 2021, AIIB granted Rwanda a US$ 100 million support to COVID-19 Economic Recovery Fund for the private sector and another US$ 100 million loan to accelerate Rwanda digitalization. More recently (2024), AIIB granted a concessional loan of around $200 million for an international airport Rwanda has been building since 2017.

[21] A first project, approved during the Covid-19 pandemic aimed at financing medical and pharmaceutical supplies, testing supplies for COVID-19 emergency response, as well as the refurbishment of national and regional hospitals in Budapest. A second, more recent, project aims at increasing the capacity of renewable energy generation and improving energy efficiency.

[22] Zoe Jordan *and* Sonali Deliwala, « Why the US should care about India's support for the AIIB", *Asia unbound*, Council on Foreign Relations, May 24, 2022. https://www.cfr.org/blog/why-washington-should-care-about-indias-support-aiib

[23] This remains relatively modest compared to its long-established peer institutions.

[24] This reflects a sharp acceleration over time as the bank financed only 53 projects amounting to US$ 10 billion during its first three years.

[25] AIIB website. https://www.aiib.org/en/projects/summary/index.html.

[26] Zaccaria, G. "Using COVID-19 as opportunity: the role of the AIIB's leadership in its strategic adaptation to the pandemic", *The Pacific Review*, vol. 37, No 2, 2023, pp. 419–444. https://doi.org/10.1080/09512748.2023.2178486

[27] Moody's Ratings, Asian Infrastructure Investment Bank, *Credit Opinion*, 30 May 2024. https://www.aiib.org/en/treasury/_common/_download/Credit_Opinion-Asian-Infrastructure-30May2024-PBC_1402305.pdf

[28] Yelin Hong, *op. cit.*

[29] Korinna Horta "The Asian Infrastructure Investment Bank (AIIB) - A Multilateral Bank where China sets the Rules", *Publication Series on Democracy*, vol. 52, Heinrich Böll Foundation, 2019.

[30] Korina Horta and Wawa Wang, "China-led Asian Infrastructure Investment Bank: Global Leader in Infrastructure, at What Cost? – A Study", Heinrich Böll Stiftung Economic and Social issues, May 2022

[31] Françoise Nicolas "The economics of OBOR : Putting Chinese Interests First", in Ekman, et al. (2017), *Three Years of New Silk Roads: From Words to (Re)Action?,* Etudes de l'ifri, Ifri, Paris, February 2017.

[32] Ayse Kaya, Christopher Kilby, Jonathan Kay, Asian Infrastructure Investment Bank as an instrument for Chinese influence? Supplementary versus remedial multilateralism, *World Development*, Volume 145, 2021, pp. https://doi.org/10.1016/j.worlddev.2021.105531.

[33] While they have cooperated in the past on several projects in Egypt, India and Turkey, in November 2024 the two institutions signed a strategic Co-Financing Framework Agreement, that aims to deepen their collaboration in furtherance of common development objectives, promote sustainable development and advance climate-resilient infrastructure projects globally.

[34] Zha Daojiong « China's Economic Diplomacy – Focusing on the Asia-Pacific Region", *China Quarterly of International Strategic Strategic Studies*, vol. 1, issue 1, April 2015, pp. 84-105.

[35] Martin Weiss, "Asian Infrastructure Investment Bank", *In Focus*, Congressional Research Service, 4 May 2023. https://crsreports.congress.gov/product/pdf/IF/IF10154

[36] S&P Global Ratings, *Rating Direct AIIB*, January 23, 2024 https://www.aiib.org/en/treasury/_common/_download/RatingsDirect_AsianInfrastructureInvestmentBank_57137292_Jan-25-2024.PDF

[37] Recourse https://re-course.org/newsupdates/recourse-calls-on-aiib-to-raise-ambition-in-its-revised-energy-sector-strategy/

[38] The Mandalika Urban Development and Tourism Project seeks to transform the area into an integrated tourist destination featuring parks, resorts, luxury hotels and a state-of-the-art, 18-turn motorcycle track on the Grand Prix race circuit designed to host Formula One racing.

[39] It has just announced the creation of its first overseas office, in Abu Dhabi.

[40] James Ransdell, "Institutional Innovation by the Asian Infrastructure Investment Bank". *Asian Journal of International Law,* vol. 9, No 1. 2019, pp. 125-152. https://www.cambridge.org/core/services/aop-cambridge-core/content/view/BE0A3045216A22996BE446DBF5B3DA93/S2044251318000176a.pdf/institutional-innovation-by-the-asian-infrastructure-investment-bank.pdf

[41] Katja Creutz, "The Asian Infrastructure Investment Bank (AIIB) and rights protection: revisionist or just another kid on the block?", *The International Journal of Human Rights*, vol. 27, No 7, 2022, pp. 1107-1132, https://doi.org/10.1080/13642987.2022.2033727

[42] Robert Wihtol "Does China wield excessive influence in the Asian Infrastructure Investment Bank?", *The Interpreter*, 16 June 2023. https://www.lowyinstitute.org/the-interpreter/does-china-wield-excessive-influence-asian-infrastructure-investment-bank

[43] Chris Legg, "The geopolitical challenge to the AIIB", *East Asia Forum*, 10 November 2023. https://eastasiaforum.org/2023/11/10/the-geopolitical-challenge-to-the-aiib/

[44] Shortly after Donald Trump took office on 20 January 2025 the US State Department issued a halt to nearly all existing foreign and assistance and paused new aid.

[45] This is also the case in the African Development Bank or the Asian Development Bank.

[46] Interestingly, these last two requirements are not explicitly mentioned in the other MDBs' charters. See Ransdell, *op. cit.*

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