

THE ASIAN INFRASTRUCTURE INVESTMENT BANK

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank (MDB) conceived for the 21st century. Through a participatory process, its founding members are developing its core philosophy, principles, policies, value system and operating platform. The Bank's foundation is built on the lessons of experience of existing MDBs and the private sector. Its modus operandi will be lean, clean and green: lean, with a small efficient management team and highly skilled staff; clean, an ethical organization with zero tolerance for corruption; and green, an institution built on respect for the environment. The AIIB will put in place strong policies on governance, accountability, financial, procurement and environmental and social frameworks.

The AIIB, a modern knowledge-based institution, will focus on the development of infrastructure and other productive sectors in Asia, including energy and power, transportation and telecommunications, rural infrastructure and agriculture development, water supply and sanitation, environmental protection, urban development and logistics, etc. The operational strategy and priority areas of engagement may be revised or further refined by its governing boards in the future as circumstances may warrant.

AIIB will complement and cooperate with the existing MDBs to jointly address the daunting infrastructure needs in Asia. The Bank's openness and inclusiveness reflect its multilateral nature. AIIB welcomes all regional and non-regional countries, developing and developed countries, that seek to contribute to Asian infrastructure development and regional connectivity.

History.

Chinese President Xi Jinping and Premier Li Keqiang announced the AIIB initiative during their respective visits to Southeast Asian countries in October 2013. The Bank was envisaged to 'promote interconnectivity and economic integration in the region' and 'cooperate with existing multilateral development banks'.

Following this announcement, bilateral and multilateral discussions and consultations commenced on core principles and key elements for establishing the AIIB. By end October, 2014, 22 Asian countries signed a Memorandum of Understanding (MOU) to establish the AIIB and Beijing was selected to host Bank headquarters. Mr. Jin Liqun was appointed as the Secretary General of the Multilateral Interim Secretariat.

Status.

Discussions among Prospective Founding Members (PFM) on the establishment of AIIB commenced in Kunming, China (27-28 November 2014), with a second meeting in Mumbai, India (15-16 January 2015) that launched discussions of the proposed Articles of Agreement. The third Chief Negotiators' Meeting took place in Almaty, Kazakhstan from 30 to 31, March 2015. It is anticipated the AOA would be finalized and open for signature by PFMs from June 2015. The AOA is expected to enter into force and AIIB to be fully established by the end of 2015. As of April 15, 2015 there are 57 PFMs.