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News: Asian Infrastructure Investment Bank

- Recently, former Reserve Bank of India (RBI) governor Urjit Patel has been appointed vice-president of the Beijing-based Asian Infrastructure Investment Bank (AIIB).

Asian Infrastructure Investment Bank (AIIB)

- Asian Infrastructure Investment Bank (AIIB) is a multilateral bank with a mission to **improve social and economic outcomes in Asia**.
- Established by **AIIB Articles of Agreement**, the bank began its operation **January 2016**.
- AIIB is **headquartered in Beijing**.
- **India along with China has permanent seats on the AIIB board of directors**.
- There are **102 members currently (82 members and 20 prospective members)** in the AIIB, with **14 of G-20 members** present in it.
- The Board of Governors is the decision making body of AIIB.
- Each **member proposes a governor and an alternative governor who serve the pleasure of members**.

- Annual meetings of board of governors are conducted. The 2019 meeting was the first to be held out of Asia at Luxembourg with a theme “Cooperation and Connectivity”.
- Membership of AIIB is open to all members of World Bank or Asian Development Bank and is divided to regional (nations located within the areas classified as Asia and Oceania by UN) and non-regional members.
- Unlike other MDBs (multilateral development bank), the AIIB allows for non-sovereign entities to apply for AIIB membership, assuming their home country is a member.
- AIIB has a total capital of 100 billion, of which China holds 50 billion to be the largest contributor to the Bank and India contributes \$8.4 billion to be the second largest stakeholder.
- Regional members hold 75% of the voting rights.
- China has the highest voting rights with 26.61% and India follows with 7.6%.
- India has been the largest recipient of loans from AIIB with around \$4.35 billion loans approved. Turkey was second with \$1.95 billion loan granted.
- The Asian Infrastructure Investment Bank (AIIB) launched the Sustainable Development Bond Framework to help the investor community better assess how the Bank is living up to its sustainability commitments.

- The framework clearly outlines how AIIB is adhering to the principles set out in its Environmental and Social Framework that guides project selection, and how it is helping its members to meet their commitments under the Paris Agreement and the UN Sustainable Development Goals.