ASIAN INFRASTRUCTURE INVESTMENT BANK

Driving Operational & Financial Innovation Among MDBs



Rodrigo Salvado

Director General, Operational Partnerships Department

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AIIB's Approach to Driving Innovation

AIIB works closely with key strategic partners, to support **projects / initiatives that drive operational and financial innovation**. These range from new, tailored financing tools, to digitally-enhanced platforms, policy discussions and more.



USD 1 bn Guarantee Program with World Bank

A **USD 1 billion guarantee program** against World Bank's sovereign-backed loans to "free" AIIB space to lend to lower rating clients.



The Asia Green Partnership Fund (AGPF)

An **innovative blended finance structure** by **AIIB** and the **Bloomberg Philanthropies**, designed to mobilize sovereign wealth funds' capital towards energy transition in Asia.



AIIB+

A **digitally-enhanced matchmaking platform,** designed to better match the supply of **external concessional & technical resources**, with AIIB's **project pipeline**.



The Digital Infrastructure Regulatory Risk Forum

A regular forum chaired by AIIB, that hosts **expert-level discussions** on **regulatory issues**.

Case Study: Guarantee Program with The World Bank

AIIB's investments put **innovative approaches** at the forefront — for example, in line with **CAF recommendations**, AIIB is currently working with the **World Bank** on issuing a **USD 1 billion guarantee program**.



About the Program	AIIB is working with the World Bank on issuing **a guarantee program of USD1 billion** of their **sovereign loans**.

Under the program, **AIIB's capital surplus** will be used to issue **USD 1 billion in guarantees**, against **sovereign-backed loans** by World Bank Group's **International Bank for Reconstruction and Development (IBRD)**.

! The swap signifies AIIB's commitment to **maximizing synergies** with our peer MDBs.

The guarantee is intended to **free up IBRD's lending headroom**, and alleviate **capital adequacy constraints**.

At the same time, it will also **improve AIIB's weighted average credit rating** of the Sovereign portfolio, and **increase our Bank's capacity** to lend to **lower-rated members**.

The Asia Green Partnership Fund (AGPF)

AIIB actively seeks to **drive financial innovation**, leveraging **strategic partners** to establish **new, financing tools** that **mobilize institutional investments** at a scale never seen before – such as The Asia Green Partnership Fund.

What is the Asia Green Partnership Fund?

Bloomberg Philanthropies × AIIB ASIAN INFRASTRUCTURE INVESTMENT BANK

An **innovative financing initiative**, jointly established through a **partnership** between **AIIB** and the **Bloomberg Philanthropies**, with the aim of accelerating climate change mitigation efforts in Asia.

A **blended finance structure**, leveraging financial strength of **MDBs** & **philanthropic** resources.

Seeks to mobilize large-scale private / institutional capital into **energy transition investments** in Asia.

Background & Need

AGPF is designed to **attract investments** in climate change mitigation projects, previously thought too risky, for **institutional investors (incl. Sovereign Wealth Funds)** to consider.

- Responds to the **urgent need for increased climate financing** to combat the climate crisis, especially in **lower-rated Asian countries**.
- Builds from **growing interest among SWFs** to put more capital into climate & **energy-transition-related investments**.

Through the AGPF, AIIB hopes to **inspire other institutions** to replicate similar impactful initiatives, to **build greater global momentum** against climate change.

AIIB+: A Digitally-Enhanced Partnership Platform

A firm supporter of **digital innovation**, AIIB is working to build 'AIIB+': a **digitally-enhanced matchmaking platform** designed to better match the supply of **external concessional & technical resources**, with AIIB's **project pipeline**.

OVERVIEW

AIIB recognizes the need for a **digitally-enhanced partnership tool**, focusing on upstream / project financing.

To meet this need, AIIB+ seeks to **ramp up AIIB's ability** to:

1. **MOBILIZE & MANAGE** external concessional resources at scale.
2. Accelerate **AIIB & PARTNER FINANCING**.

EXPECTED BENEFITS

- **Reduced transaction costs** when engaging with AIIB.
- **Coordinated project support** both upstream and downstream.
- **Interconnected global pipeline network** of different partners & platforms.

*AIIB+ follows AIIB's approach of **systematic resource mobilization** through partnerships.*

CORE FUNCTIONS

MATCH	… project & partners **pipelines** with the most suitable **technical** & **financial resources**.
MOBILIZE	… resources at scale & at speed by **streamlining** and **enhancing** decision making.
SCALE	… investment & grant **impact** by expanding range of **financing** & **technical** partners.

Digital Infrastructure Regulatory Risk Forum (DIRR Forum)

As part of our work in **promoting standards and norms** in digital infrastructure **regulations**, AIIB serves as the **chair** of the Digital Infrastructure Regulatory Risk Forum.

About the DIRR Forum

Established 3 years ago, the DIRR Forum convenes **every 6 months**, to host **expert-level discussions** on **regulatory issues**. Core benefits of the forum include:

- Generation of **critical knowledge** at the MDB-level.
- Supported **diffusion of practices** on **data privacy** & **cybersecurity**; facilitated convergence of standards.
- Opportunity for technical experts to share **non-confidential information on regulations at the country-level**, and exchange views on **risk management**.
- Contribution to identification of **high-level principles** on **institutional set-up**, applicable to digital infrastructure regulatory regimes.

Other Forum Participants

ADB, AfDB, Council of European Bank, EBRD, EIB, the IADB, the IsDB, IFC, the IMF, the Korean Development Bank, Germany's KFW, the NDB, the World Bank, OECD and ITU.

AIIB's Plans Moving Forward

Formalise the DIRR Forum into a Working Group, with a secretariat.

The secretariat will have the following objectives to:

1. Share knowledge on the emergence of data privacy regulations.
2. Seek consensus between MDBs on what standards to support & how to disseminate it.

The Secretariat would also organize learning events to disseminate this knowledge beyond MDBs, to Governments and private sector stakeholders.

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THANK YOU!

LET'S CREATE TOMORROW.

partnerships@aiib.org

AIIB HQ
Tower A, Asia Financial Center
No.1 Tianchen East Road
Chaoyang District
Beijing, China
100101

aiib.org

