

AIIB @ 3

Assessing the first three years of the Asian Infrastructure and Investment Bank

May 16-17, 2019

Blavatnik School of Government, University of Oxford, Oxford UK

Workshop output

Three years after the AIIB's creation, the Blavatnik School of Government at Oxford University convened a small group of governments, researchers, AIIB staff, and civil society groups to examine the AIIB's experience.

The workshop, conducted under the Chatham House Rule, assessed the Bank's progress to date and prospects for the future in four key areas:

1. **Operations** – What has the AIIB's practice been over its first three years? How has it delivered on its aspirations to be “lean, clean, and green”? What are the key successes and challenges?
2. **Innovation** – At a challenging time for multilateralism, how does AIIB's status as a “new” multilateral development bank (MDB), based in Beijing, allow it to innovate in the field? What challenges arise, and what new opportunities and pathways for collaboration exist?
3. **Sustainability** (“Green”) – How can AIIB advance the sustainable infrastructure needed to implement the Paris Agreement and the 2030 Agenda?
4. **Governance** (“Lean and clean”) – How has the AIIB approached accountability, transparency and oversight of investments, and what can be learned from this experience for future work and partnerships?

The frank and wide-ranging discussion allowed for a lively exchange of views. While the purpose of the workshop was not to arrive at consensus, participants identified a range of priority questions for the Bank and its shareholders and stakeholders to consider in the future.

Making “lean” work

1. **Learning:** How can the institution get better at learning-by-doing? How can it evaluate and report on its progress as an institution? What evidence base is required, and how can the Bank build it through engagement with the research community and groups monitoring projects on the ground?
2. **How can the Client Relations and Programme Management team deliver remotely?** Operating without country offices creates a unique set of challenges, while also offering the possibility of greater efficiency. How can this model best operate? How can remote Bank staff nonetheless embed themselves in local formal and informal networks, which may be particularly important for problem-solving and trouble-shooting? How will this affect the access that affected communities have to the Bank?

Sustainability

1. What would “alignment” with the Paris Agreement really entail? Should the Bank broadly follow other MDBs policies, or does the urgency of the climate challenge require bolder steps?
2. How can the Bank address sustainability questions beyond the climate/energy space, for example the Sustainable Development Goals? Given the upcoming 2020 biodiversity summit in China, is there an opportunity for AIIB to innovate in this space?
3. Building on the AIIB Asia ESG Enhanced Credit Managed Portfolio, what new green financial products can the bank roll out? How can climate and sustainability be mainstreamed across the portfolio?
4. How can the review of the Environmental and Social Framework in 2019 best address these challenges? In advance of the review, participants decided further meetings around the Annual Meeting would provide an important opportunity to continue the discussion. To support effective decision-making, participants offered to provide comparative evidence from different MDBs’ experience to promote convergence around alignment with the Paris Agreement and the SDGs. They also noted that ongoing review of projects on the ground could also provide important information on how to ensure sustainability translates not just into policy but into practice.

Governance

1. How can the Board’s strategy best be translated into reporting frameworks that guide management and staff, and which EDs can monitor remotely? For example, how can the forthcoming Corporate Results Management Framework provide the indicators needed to track the AIIB’s commitments to be green and to promote the SDGs?
2. How can Executive Directors form closer working relationships and coordinate effectively when they are not based in Beijing?
3. How can EDs best represent and be accountable to their constituencies at AIIB, including both governments and citizens

Engagement with the Belt and Road Initiative

1. Having established itself as a multilateral institution, should AIIB now seek to engage more closely with the Belt and Road Initiative? How might it leverage its role as an MDB based in Beijing to strengthen the coherence, sustainability, and quality of BRI investments? How can the newly launched Multilateral Finance Centre, for which the AIIB serves as secretariat, advance such engagement?
2. As a “Green” MDB, how can the AIIB best promote the greening of the BRI?

Accountability

1. How can AIIB better institutionalize accountability to stakeholders while remaining ‘lean’? One key theme of the discussions focused on transparency and information disclosure, which can facilitate not only accountability but also risk management and learning. How can these elements of the AIIB’s policies and practices be enhanced?

2. How can the accountability mechanism best provide access to affected communities and promote learning and improvement? Does that fact that it is appointed by the Board but reports to the President affect its ability to provide independent guidance?

Vision for the future

1. Having established itself as a “standard” MDB in the first three years, how can the AIIB become more innovative going forward? What is (or what could be) its unique “added value” in the infrastructure investment realm, and how can it maximize this?
2. Could the AIIB play a more proactive role as an “orchestrator” of regional infrastructure investment, engaging bilateral and commercial lenders to better align their investments around sustainable infrastructure?
3. Will the forthcoming Corporate Strategy provide a context to further reflect on the AIIB’s mission and direction?