



# **AIIB and the Multinational Development Financing System: Complementary or Competitive?**

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## International Multilateral Development Financing System

International Multilateral Institution		Regional Multilateral Institutions	
WB	IBRD (International Bank for Reconstruction and Development )	Europe	EBRD (European Bank for Reconstruction and Development) EIB (European Investment Bank )
		Asia	ADB (Asian Development Bank )
	IDA (International Development Association)	Africa	AfDB (African Development Bank)
		America	IDB (The Inter-American Development Bank) CAF (Corporacion Andina de Fomento)



## **The initiative of AIIB:**

- 2-8 Oct.2013, Chinese government proposed AIIB initiative
- 24 Oct.2014, 21 founding members signed the MOU
- 12 Oct. 2015. 53 of 57 founding members signed the AIIB charter

## **Questions: The relationship of AIIB and existing MDBs**

- Complementary or Competitive?
- Conflict or Cooperation



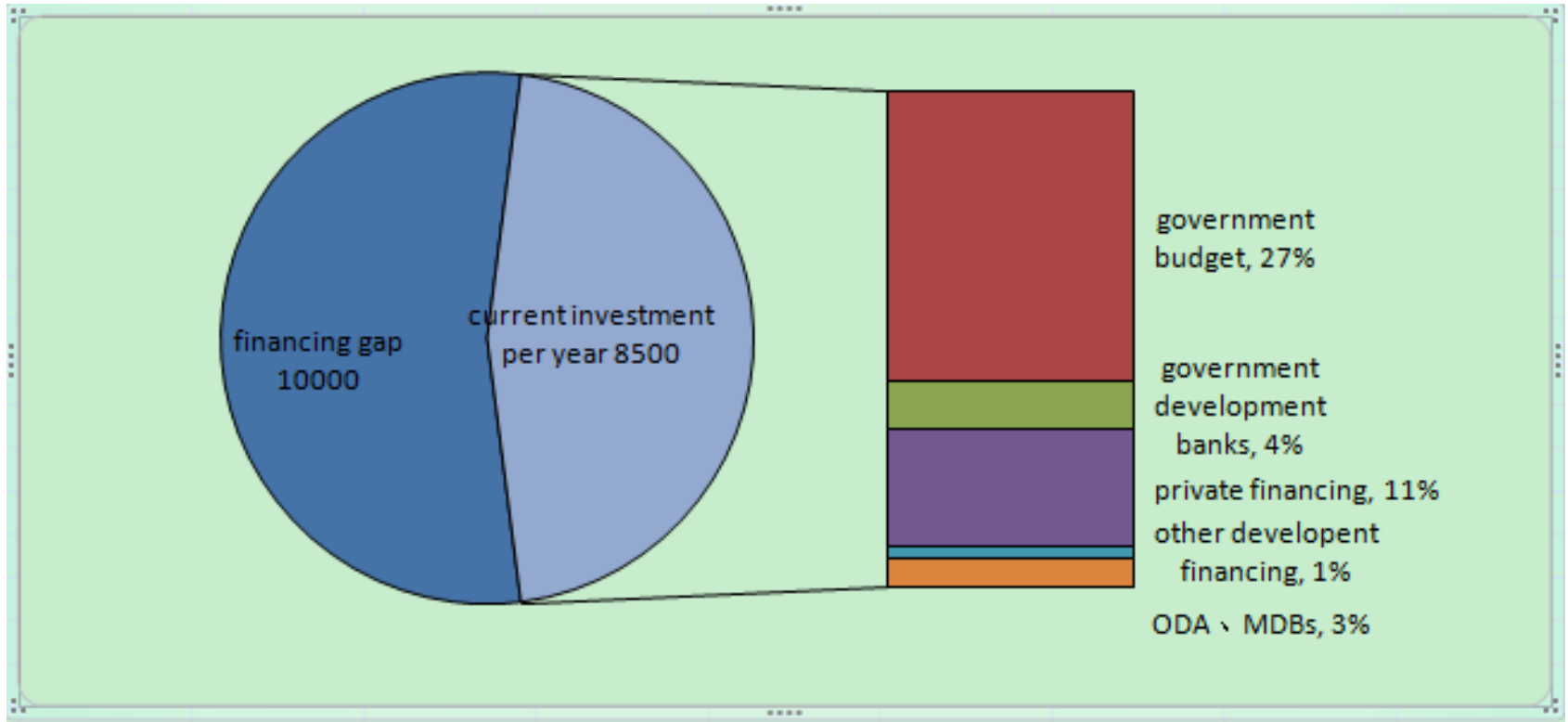
# AIIB and the existing MDBs

1. The financing demands in developing countries
2. The objectives and function
3. The effectiveness
4. The governance structure
5. The financial sustainability



# Infrastructure financing needs and current investment in developing countries(before 2020)

Unit: 100million USD、%



Note: Real price in 2008

Source: Based on Bhattacharya, Romani & Stern (2012) and Bhattacharya & Romani (2013)



## **The initiative of AIIB: to meet the development finance demand of Asian countries**

- The developing countries are facing financial and technical bottlenecks. for their growing infrastructure demand
- Because of the finance crisis, the public budget flow to infrastructure sector is decreasing.
- Infrastructure investment of the global private financial institutions mainly flow into developed countries.



## The Capital Structure and Lending Scale of MDBs

unit: 100 million USD, %

MDBs	authorized capital	subscribed capital	paid-in capital	callable capital	paid-in /subscribed (%)	equity	lending outstanding	equity/lending outstanding (%)
<b>IBRD<sup>[1]</sup></b>	2784	2328	140	2188	6.0	400	1540	26.0
<b>EBRD<sup>[2]</sup></b>	300	297	62	235	21.0	149	264	56.3
<b>EIB<sup>[2]</sup></b>	-	2432	217	2216	8.9	579	4281	13.5
<b>ADB</b>	1638	1628	82	1546	5.0	169	531	31.8
<b>AfDB</b>	1030	1004	46	958	5.0	90	178	50.3
<b>IDB</b>	1709	1709	60	1649	3.5	236	707	33.3
<b>CAF</b>	100	100	65	35	65.0	78	205	38.2
<b>AIIB</b>	<b>1000</b>	<b>500</b>	<b>100</b>	<b>400</b>	<b>20.0</b>			

Note: [1]data of IBRD is of June 2014, data of other institutions is of the end of 2013. [2]100 million EUR.

Source: annual reports of MDBs and the rating report of S&P, Fitch and Moody.



## 2. The Objectives and Function

### MDBs

- promote world economic growth and poverty reduction (core mission of the MDBs) (ADB)
- promote regional economic growth and integration (ADB, AfDB, CAF)
- promote the development of medium-sized and small enterprises (EIB, IDB)
- promote sustainable development (EIB, IDB, CAF)

### AIIB:

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_3936](https://www.yunbaogao.cn/report/index/report?reportId=5_3936)

