

《China Exclusive: AIIB to be lean, clean, green, says preside》

BEIJING, Dec. 25 (Xinhua) -- The China-proposed Asian Infrastructure Investment Bank (AIIB) was formally established Friday. Expectations are high for the new global multilateral financial institution, which will operate in an open, fair and efficient manner, AIIB's president-designate Jin Liqun told Xinhua.

GROWING RECOGNITION

Tasked with financing infrastructure construction across Asia, it took just two years for the bank to develop from an idea on paper to a fully-fledged body with 57 developed and developing nations as prospective founding members.

"The popularity of AIIB stems from its win-win nature as the bank serves to enhance connectivity among Asian countries by supporting infrastructure development. A prosperous Asia will offer huge markets for global enterprises, which are hungry for business opportunities, and will boost international economic growth," said Jin.

The Multilateral Interim Secretariat also did a good job in facilitating the set up of AIIB, with impressive sincerity, democracy and professional expertise throughout, Jin added.

"We made AIIB's principles and missions clear to them to convince them that we will make a real difference," he said.

China, the largest stakeholder, worked with other prospective founding members to nail down the AIIB agreement and other rules in an open, transparent, inclusive and democratic manner, Jin pointed out.

The process of establishing AIIB was also about developing gradual understanding and support of the international community toward the China-backed proposal, according to Jin.

"To earn recognition, we must make things work with convincing action. The establishment process was a good example and a good start for continuous similar practice in AIIB's future operation and management," said Jin.

OPEN AND FAIR

All member countries have signed the AIIB agreement, which outlines the financial share of each founding member as well as rules for policymaking, governance structure, and business and operational systems.

Member countries have to inject a required sum of capital in five batches starting from 30 days after the AIIB agreement takes effect to the end of 2017.

With authorized capital of 100 billion U.S. dollars, AIIB will invest in infrastructure, energy, transportation, urban construction, water supply and logistics as well as education and health care.

Specific loan policies will be discussed by the board meeting and released after approval.

In terms of the energy sector, Jin said the bank will take account of Asia's rising energy demands and the battle against climate change when deciding if it will finance coal-fired and nuclear power projects.

"Our target projects must be financially, environmentally and socially sustainable," Jin said.

AIIB will hand out loans from mid 2016, according to Jin, adding that the bank will keep in close contact with other multilateral and bilateral development organizations.

The bank is open to global professionals and to more members based on voting of the board, according to Jin.

based on the GDP volume and capital contribution, China holds the highest voting stake among all members. As new members join, all founding members' shares and voting stakes will be "gradually diluted."

LEAN, CLEAN, GREEN

The AIIB has a clear three-tier structure -- a board of governors, a board of directors and a management team, which will carry out their duties accordingly.

The bank will enroll employees openly and transparently to select those with good work ethics, outstanding professional expertise and strong commitment, according to Jin.

Everyone is welcome to apply for the available positions, however, the recruitment process will be strict, said Jin.

"There will be no lifelong positions here. All employees will have one-year probation period," Jin said.

Profit maximization will not be AIIB's goal due to its multilateral financial institution status, but the bank's investment projects have to be profitable to ensure financial sustainability, according to Jin.

To reduce operational costs, the board will not be based in the bank and free competition will be encouraged in recruitment and purchase. Meanwhile, the audit department will oversee business compliance, performance and work ethics.

The bank is also working on documents to accord the business practices with environmental and social development.

"There will be zero tolerance of corruption, and we will make the bank lean, clean and green," Jin said.

