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Abstract

In 2015, seventeen European states joined the Asian Infrastructure Investment Bank (AIIB) as Founding Members. France, Germany, Italy and the United Kingdom, among the group, have the largest share of capital and votes, giving them significant voice in the Bank. The purpose of the European members in joining was mainly twofold: (i) to help increase financial flows available for investment infrastructure in Asia; and (ii) to help ensure that the new Bank would adhere to global financial, environmental and social standards, as established by the existing Multilateral Development Banks (MDBs). It can be said that the Europeans have largely succeeded. Existing MDBs have served as models for the standards which the AIIB is institutionalizing. However, some European-based civil society organizations are increasingly critical of the operations of the AIIB. Moreover, some developing countries may see the AIIB's standards as an unnecessary burden. It can therefore not be assumed that the AIIB will continue to expand its portfolio by merely complementing the existing MDBs.

In July 2019, the 4th Annual Meeting of the Asian Infrastructure Investment Bank (AIIB) was convened – for the very first time outside Asia – in Luxembourg. The international financial hub was also the first European country to announce its intention to join the AIIB ('the Bank' in this article) on March 11th 2015, one day before the United Kingdom[1]. During the opening session in Luxembourg, Xavier Bettel, the Prime Minister of the host country, recalled his decision to join or not to join the AIIB as 'not an easy one'[2]. In the end, Luxembourg joined because, in addition to believing in Asia and multilateralism, the Prime Minister also still believes that 'economy and ecology are not enemies'. Then, in an address to more than 3,000 delegates, observers and participants to the meeting, the Grand Duke of Luxembourg described the AIIB as an institution in line with the multilateral approach that the world has come to know since Bretton Woods and that has been serving post-WWII Europe so well. He emphasized that only international co-operation leads to economic, social and political development, and that the United Nations' Sustainable Development Goals (SDGs) (United Nations Assembly 2015) are 'a common duty and responsibility' for all. Finally, AIIB president Jin Liqun remarked that the Bank embodies European values, has zero tolerance for corruption, and supports the green economy – hence its motto 'lean, clean and green', and reflecting operational efficiency, transparent working methods, and commitment to sustainable development. Jin importantly acknowledged the Europeans' contribution in bringing to the Bank the same governance structures to be found in the existing Multilateral Development Banks (MDBs), in which European states are members and participants (i.e. all of the major MDBs)[3].

This essay asks what is Europe's role in the AIIB, what interests and agendas are European member-states pursuing, what vision of future priorities are the Europeans trying to advance? One lesson that can be drawn from the analysis below is that with their emphasis on "multilateralism", "sustainability", and "transparency", as keywords, in their engagements with the AIIB, the Europeans are attempting to reinforce the pillars of the international development finance regime that has evolved since the end of WWII – with the emphasis on environmental sustainability coming in the later period. Due to the specific refusal of the United States and Japan to join the Bank, and the US President Donald Trump administration's general preference for bilateral and transactional approaches to international relations, it seems that the Europeans are left with the hard task of standing up for global rules and standards, and ensuring that the AIIB is developed in conformity with the established managerial rules for international financial institutions that were created mainly by the West. For Europe, the mission in the AIIB is to push for continuation of many of the liberal norms in the existing multilateral development finance regime, while also pursuing the longtime-in-the-making progressive agenda on environmental protection and climate change mitigation, by encouraging the AIIB to meet its commitment to support the Paris Climate Change Agreement, the 2030 Sustainable Development Goals (SDGs), and the Bank's own motto of being "lean, clean and green".

This essay details the multiple contributions of the European shareholders in the AIIB, highlighting Europe's role in the governance of the Bank and in agenda- and priority-setting in the Bank. In the next section, we look at the early phases of the involvement of European countries in the AIIB, before turning next to examine how the European members influenced the standards embedded in the AIIB institutional framework. The essay concludes by briefly discussing the concerns of some European-based civil society organizations about the AIIB, which they voiced in Luxembourg on the side of the AIIB meetings[4], and some of their main policy proposals to the Bank about the future trajectory for the AIIB.

Why the Europeans Joined

It was clear from the early statements in March 2015 that the Europeans would join the AIIB negotiation as to 'lock-in' the new institution into the existing global system of MDBs: 'France, Italy and Germany (…) are keen to join the founding members of the AIIB in order to work on establishing an institution that will adhere to best practices in the areas of governance, security, loans and public procurement' (France Diplomatie 2015).The Italian government underlined the European contribution 'to build an institution implementing the best principles and practices in corporate governance, safeguard policies, debt sustainability, and public procurement' (Ministero dell'Economia e delle Finanze 2015). The message from London was similar: 'The UK will play a key role in ensuring that the AIIB embodies the best standards in accountability, transparency and governance' (HM Treasury 2015). In contrast to the US and Japan, which largely saw the attempt to build the new Beijing-based MDB as a challenge to the World Bank (WB) and the Asian Development Bank (ADB) (Perlez 2014), the Europeans viewed the creation of the AIIB instead as a possible complementary effort for striving for common goals such as sustainable development.[5] To quote France's then foreign affairs and finance ministers: 'This new investment bank, which aims to work in partnership with the existing multilateral investment and development banks, will be able to play a key role in financing the infrastructure that Asia badly needs' (France Diplomatie 2015).

Perhaps a deeper truth is that the Europeans may have also followed a ‘if you can’t beat them, join them’ approach (Stanzel 2017) with the aim of ‘taming China from within’ (Huijskens et al. 2017). The European Commission was also supportive of the European presence in the AIIB as part of its engagement strategy with China, even though it was critical of Europe’s “uncoordinated” response by which the fourteen EU Member States joined the Bank (European Commission 2016: 7).

In a previous study, I found (Gabusi 2017) that most of the projects of the AIIB, so far, are co-financed with other MDBs, namely the WB, the ADB, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD)[6]. In fact, as of March 2019, 56% of all projects financed by the AIIB are co-financed, while 44% are standalone[7]. The Berlin-based European Council on Foreign Relations has reported that the Bank’s co-financing decisions, early on, were due to Germany ’s influence (Stanzel 2017). So far, then, it seems that the AIIB has taken on many of the operational and policy norms that are similar to the established MDBs, and, in the supposed competition between China and the West, the real winners could be ‘the global financial regime’ (Gabusi 2017: 40) and developing countries because the establishment of the AIIB has enlarged the market for infrastructure funding .

The European states also had pragmatic economic reasons to support the establishment of the AIIB. Much in line with the former UK Chancellor of the Exchequer George Osborne’s strategy of advocating closer economic relations with China, the European states were competing to attract Chinese investments and to export to China and Asia. Therefore, they readily enrolled in the new China-led diplomatic and institution-building initiative, despite the US warnings about Beijing’s attempt to divide the Western camp (Le Corre 2015), and they hoped that by joining the AIIB as “Founding Members”, their companies would then have privileged access to the infrastructure market in Asia, and more economic opportunities with China (Nicolas and Di Meglio 2015). Moreover, from an international security perspective, European countries facing growing uncertainty with the United States in their traditional security alliance, and appearing to be increasingly dependent, economically, on the fast-growing Asian markets for their future growth potential were more likely to join the Bank (Chen 2018). Finally, the UK, Luxembourg, Germany and France all wanted to promote their respective financial centers (London, Luxembourg, Frankfurt, and Paris) as Chinese currency trading hubs for renminbi-denominated foreign exchange products and financial assets (Chin 2017). Interestingly, the AIIB did eventually choose London for the sale of its first bonds, though this decision was due largely to London’s advantages as a global financial center, and not only to the UK’s membership in the Bank (AIIB 2019).

Influence through Membership and Collective Voice

Nineteen European Union Member States and three other European states (Iceland, Norway and Switzerland) have so far (July 2019) joined the Bank – with seventeen of them as Founding Members[8] (see Table 1 below). These countries are divided into two ‘non-regional’ constituencies: the thirteen countries of the Eurozone are in the Euro Area constituency (EAC), and the United Kingdom and eight other European countries, mostly from Northern and Central and Eastern Europe, are in the other (non-Euro) European constituency.[9] Curiously, Cyprus – a EU Member State – is the only country among the European countries to be listed as a (i.e. Asian AIIB) ‘regional member’.[10] The total number of European members is noteworthy but not the most significant factor in terms of relative shareholding and voting power: both in terms of capital share and voting share the contribution of most countries is negligible or tiny (see Table 2 below). The European countries that really have a ‘voice’ in the Bank are France, Germany, Italy and the United Kingdom; together, these countries own almost 14% (13.9894) of the capital, and they possess about 13% (12.869) of the votes in the Bank, and account for 57% of total European votes. Three vice-presidents out of five in the AIIB senior management team are European nationals from France, Germany and the UK, and they hold the respective Finance, Policy and Strategy, and the Corporate Secretariat portfolios[11].

By joining the AIIB, the European countries, with the exception of debt-ridden Italy, brought their dowry (i.e. financial management reputations) to the new Bank, which contributed to the top triple-A rating which the AIIB received from the three main global credit rating agencies (see the Chin Introduction essay for the financial operations and currency strategy of the AIIB). The timing of the creation of the AIIB from 2014 to 2016 coincided with the negotiations for the UN Climate Conference COP 21, which led to the adoption of the Paris Agreement on climate change (December 2015). The French Foreign Ministry has stated that the Europeans leveraged the negotiations to join the AIIB on behalf of the global climate change agenda, and that the linkage is reflected in the AIIB Articles of Agreement (AA): ‘Together with our European partners, we have made sure these bylaws incorporate the highest social and environmental standards used by multilateral banks. France attributes special importance to their implementation in project selection and management’ (France Diplomatie 2016). Germany is similarly ‘committed to ensuring that the AIIB applies the highest possible environmental, social and governance standards’ (Federal Ministry of Finance 2019). The British government declared that ‘through its early engagement in negotiations of the Articles of Agreement, the UK has ensured that the AIIB embodies the best standards in accountability, transparency and governance’ (HM Treasury 2015a).

European countries joined the negotiations after a few rounds had already concluded and concentrated on ensuring that the AIIB would adopt as much as possible international standards so as to make sure that the stability of the international financial system would not be negatively impacted by the entrance of a new, highly capitalized intermediary. They organized themselves, as customary in these cases, into constituencies, and started then to organize regular meetings. As the European delegates were acquainted with articles of agreement and bylaws of the MDBs, when negotiating the Bank’s “Articles” they could ensure sufficient alignment of the AA with those of similar (multilateral) institutions. In this, they were greatly helped by the choice by the Chinese to use the consulting services of Nathalie Liechtenstein, a lawyer with a 30-year career at the World Bank[12]. Accepting the Europeans’ perspective on standards was probably the price that China was ready to pay in order to have them on board – a significant diplomatic success, and at the same time a guarantee for the financial strength and ‘good practice’ of the Bank (Bustillo and Andoni 2018: 13).

The Europeans also advocated for social standards to be integrated into the rules for the new AIIB, such as the prohibition of child labor, gender equality, and regulatory standards such as transparency and openness in public procurement. Their requests were generally accepted, with overall minor exceptions. The fact that the AIIB took on many of the European recommendations can be read as evidence of asymmetry of power within the AIIB, in favor of the agendas, interests and norms of the Western industrialized countries, especially when considering that the main customers or users of the new Bank would be developing countries. However, the research to date also indicates that Jin Liqun and Chinese officials also saw the reputational gains for the new Bank, and the immediate credibility benefits which the new Bank would receive, by taking on the internationally-accepted standards which the European member-states were pushing (see the Chin introduction, and the Zhu essay in this collection).

Finally, although the World Bank was often the model for much of the Bank's institutional design, the Europeans did succeed in suggesting the European Investment Bank (EIB, headquartered in Luxembourg) and the European Bank for Reconstruction and Development (EBRD, headquartered in London) as providing other useful examples of organizational design and legal and constitutional frameworks. Some examples of such institutional cross-learning standout in particular: the provision of universal procurement drawn from the EBRD[13], and a non-resident Board of Directors similar to the EIB. Natalie Lichtenstein (Inaugural General Counsel of the AIIB), in fact, has listed the WB, the EIB, the EBRD, the Inter-American Development Bank (IADB), the African Development Bank (AfDB), and the Asian Development Bank (ADB) as the major MDBs whose Charters provided the closest models for AIIB (Lichtenstein 2018: 2; see also Lichtenstein's essay in this collection).

Global Standards into Operating Policies and Rules

The AIIB declares that its operations are guided by 'sound banking principles' (Art. 13.1 of the Articles of Agreement). At the encouragement of its European members, the AIIB has developed guidelines and rules for various dimensions of sustainability for its project review and approval process. Debt sustainability is one dimension. The capacity of recipient states to pay back their debt has been considered, and reflected in the Articles: 'In considering an application for financing, the Bank shall pay due regard to the ability of the recipient to obtain financing or facilities elsewhere on terms and conditions that the Bank considers reasonable for the recipient, taking into account all pertinent factors' (Art. 13.5 AA). Also, in providing or guaranteeing financing, the Bank says it 'shall pay due regard to the prospects that the recipient and guarantor, if any, will be in a position to meet their obligations under the financing contract' (Art. 13.6 AA).

After a few episodes related to China's Belt and Road Initiative (BRI), the IMF issued a warning on debt sustainability in BRI projects for small developing countries (Clover 2018). Christine Lagarde, the European managing director of the IMF, has emphasized that the BRI should go only where it is needed, and where the debt it generates can be sustained. Under Lagarde's led, the Fund agreed (announced April 2018) to develop a new China-IMF Capacity Development Center to ostensibly provide macro-financial training courses to officials from IMF member countries, but most observers understood the Center was directed at officials from countries along the Belt & Road, and at "challenges in the next phase of Belt and Road" (Lagarde 2018). After the Fund issued these warnings, safeguarding the capacity of recipient states to service their debt has garnered even more attention at the AIIB. So far, the Bank has not approved projects in countries with high debt vulnerability according to the World Bank/IMF's "Debt Sustainability Framework" criteria (International Development Assistance 2019), with two exceptions, i.e. Tajikistan and Laos. However, in both of these country cases, the projects are co-financed with other MDBs, which have thoroughly assessed the projects for sustainability[14].

Early on, the AIIB Preparatory Team and China's finance ministry declared zero-tolerance on corruption and "clean governance" as key operating principles for the new Bank (Chin 2016: 21), and the European members called for transparency on decision-making and operational transparency. Both were also spurred by US and Japanese skepticism on the matter. Bank members made sure to include Article 9 of the AIIB "Articles of Agreement", which states that 'the Bank shall take the necessary measures to ensure that the proceeds of any financing provided, guaranteed or participated in by the Bank are used only for the purposes for which the financing was granted and with due attention to considerations of economy and efficiency'. Encouraged by the European member-states and by legal advisors, the Bank also adopted a 'Policy on Prohibited Practices'[15] (AIIB 2016a), in conformity with policies and procedures followed by the MDB signatories (ADB, AfDB, EBRD, IADB and WB) to the 2010 'Agreement for the Mutual Enforcement of Debarment Decisions' (AMEDD) (Lichtenstein 2018: 67). Although the AIIB has not yet signed onto the AMEDD, its actions and policies are in line with the Agreement (Lichtenstein 2018: 68).

European members, including German officials, continue to push the Bank on transparency, especially in the area of procurement, and it is not accidental that AIIB president Jin declared at the Luxembourg meeting that budget control allows investment infrastructure, which leads to long-term development. The AIIB president underlined also the Bank's 'no-corruption' pledge. Procurement of goods and services on projects financed by the Bank follows an international competitive tender process, that is universally open, and places 'no restriction upon the procurement of goods and services from any country from the proceeds of any financing undertaken in the ordinary or special operations' (Art. 13-8 AA). This provision draws from the EBRD Charter, while procurement in the AfDB and the ADB is restricted to member states (Lichtenstein 2018: 58). The principles governing procurement, listed in section 5 of the Procurement Policy (AIIB 2016), i.e. economy, efficiency, effectiveness, fairness and governance, value for money, fit for purpose and transparency, echo the MDBs criteria.

In February 2016, AIIB's Board of Directors approved the Environmental and Social Framework (ESF) (AIIB 2019a). European members of the Bank played an influential role in the development of the ESF, pushing the Bank to bring the range of global standards as found in other MDBs, into the AIIB. The years of extended debate in the World Bank that led to the adoption of its new environmental and social policies in 2016 also provided a backdrop for the development of the AIIB policy (Lichtenstein 2018: 65, note 72). As such, the AIIB has a clearly articulated ESF, that is anchored on an Environmental and Social Policy (ESP) that includes three sets of mandatory Environmental and Social Standards (ESSs) for Environmental and Social Assessment and Management, Involuntary Resettlement, and Indigenous Peoples. The AIIB ESF also includes an Environmental and Social Exclusion List, and a Directive on Environmental and Social Policy, which provides a comprehensive framework of principles that AIIB must respect in handling environmental and social risks and impact. Social development and inclusion are addressed in the AIIB's ESF: 'For the Bank, inclusion means empowering people to participate in, and benefit from, the development process in a manner consistent with local conditions' (ESF, paragraph 8). Gender equality is addressed in the ESF, as financed projects should 'promote equality of opportunity […] women's socioeconomic empowerment… [and] positive impacts on women's economic status' (ESF, paragraph 14). The labor principles that have been adopted by the Bank's ESF, for the evaluation of the impact on labor of financed projects are basically those found in ILO-inspired international norms (ESF, paragraph 15). In particular, the prohibition to finance activities involving forced labor or harmful or exploitative forms of child labor is the first among fourteen items indicated in the Environmental and Social Exclusion List. Europe's influence resonates across the AIIB's approach to these issue-areas and the Bank's related standards.

According to Lichtenstein, the AIIB's principles are 'broadly consistent' with the other MDBs, and endow the Bank with a 'robust structure for managing operational and reputational risk' (Lichtenstein 2018: 65). 'Consistent with the Sustainable Development Goals (SDGs), the Bank recognizes the need to address the three dimensions of sustainable development – economic, social and environmental – in a balanced and integrated manner' (ESF, paragraph 7). The AIIB's commitment to the Paris Climate Change agreement is made explicit in paragraph 16, of the ESF, though the wording does not commit the Bank to exclude investment in infrastructure related to fossil fuels – which is noteworthy considering the statement in the paragraph that 'the Bank plans to prioritize investments promoting greenhouse gas emission neutral and climate resilient infrastructure, including actions for reducing emissions, climate proofing and promotion of renewable'. The absence of this exclusion has generated some concerns among environmental activists, as detailed below. Finally, biodiversity is also addressed in paragraph 17[16] and Green Economic Growthin paragraph 18[17]. It is fair to suggest that the European members in the AIIB see themselves essentially as the 'watchdog' for global environmental and social standards in the AIIB.

Looking Ahead

The details above show that the European members of the AIIB have pursued a mix of status quo reinforcing and progressive environmental and climate agendas within the Bank's evolution.

More than four years have passed since the Europeans joined the AIIB. In the interim, the mood toward China has changed in some European capitals. In March 2019, a few days before Xi Jinping's official visit to Italy – the first G-7 country to sign a Memorandum of Understanding with China on the Belt and Road Initiative[18] – the European Union issued a new strategy paper on the EU-China relationship. In the document, China was classified as a 'cooperation and negotiating partner', but also as an 'economic competitor'. Above all, the strategy referred to China using harsh and frank language that is unusual for this type of EU document, calling China a 'systemic rival promoting alternative models of governance' (European Commission and High Representative 2019: 1). European perceptions about the new assertiveness in China's foreign policy, the expanding business and technological acquisitions in Eurasia of China's state-owned enterprises, and Xi Jinping's authoritarian turn at the Nineteenth Party Congress in 2017, contributed to a growing sense of unease in Brussels about relations with Beijing. President Macron of France received the Chinese President in Paris, standing together with German Chancellor Angela Merkel and Jean-Claude Juncker, the President of the European Commission, as if the French president was drawing a red line and sending a clear message to the Chinese, a few days after the release of the EU's China strategy (Nossiter 2019).

In July 2019, Germany and France then sent two relatively low-profile delegations to the AIIB annual meeting in Luxembourg. The UK Chancellor of Exchequer Philipp Hammond did attend the AIIB meeting in Luxembourg, and he reminded the audience that the G20 nations had just approved shared principles for 'quality infrastructure' based on transparency and sustainability at the G20 Leader Summit in Osaka (G20 2019). Italy also sent a high-level delegation, headed by the Minister of Finance, and though he said that the Italian government was 'satisfied of the achievements so far', however, Rome also encouraged the Bank to 'keep pursuing and developing with the same intensity the highest standards of internal governance' (Ministero dell'Economia e delle Finanze 2019).

However, there were others who were not satisfied in Luxembourg. Outside the European Convention Center, a small group of environmental activists staged a protest against the Bank's operations, and accused the AIIB of paying lip service to its 'lean, clean, green' motto, by financing for instance gas-related projects. Activists on water governance demanded that the Bank devote more resources to renewable energy, and to get out of hydro-power once and for all (Simonov 2017). A study by the German-based Greens' Political Foundation argues that the AIIB's ESF is 'aspirational' only, allows too much 'flexibility' in its implementation, and 'foresees the outsourcing of environmental and social standards' (Horta 2019: 25). Their study also draws attention to the issue of democratic standards, alludes to repression of civil society dialogue and independent media in China as an authoritarian country, and charges that 'the public pressure faced by Western-dominated banks to adopt reforms will largely be absent in the AIIB's home country' (ibid).

Some academics also see the AIIB's ESF as 'overly vague and toothless', and note that they 'have witnessed far too many infrastructure calamities across the planet to accept such platitudes at face value' (Laurance 2018). Civil society organizations (CSOs) have started to conduct on-the-ground evaluations of projects financed by the AIIB, and some have already concluded that more effort is required to close the gap between rhetoric and reality, and to realize the commitments to a Paris-aligned approach. Other CSOs such as Germanwatch explicitly rebuke the AIIB for not excluding investments in oil- and coal-fired power plants (Germanwatch 2019: 9). The Bank may need to strengthen its communications regarding its Energy Sector strategy – which was issued after a wide and open consultation process with CSOs (AIIB 2017) – especially that the AIIB's energy strategy has a vocation for sustainability, putting the emphasis on efficiency-improving projects in energy storage, transmission and distribution, in order to support 'the transition to a less carbon-intensive energy mix/power sector' (AIIB 2018a: 17).

The AIIB seems to be at the crossroads in its dealings with its European members. On the one hand, the Bank is facing growing pressure from its European member-states and rising criticism from Western CSOs to deliver on its self-declared high environmental and social standards. On the other hand, there are rumblings that some developing country members of the AIIB want to receive more funding[19], and some countries may want more infrastructure financing without the strict conditionalities that result from the AIIB's high standards and safeguards. The AIIB is seemingly caught in the middle, wanting the Europeans on board as active members and supporters of the Bank, and to highlight its commitment to multilateralism and global standards. Yet it is a challenge for the Bank to manage public opinion in Europe, and to avoid the criticism that the AIIB is a window-dressing exercise to play-up a benevolent face for the Bank, and for China.

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[1] Switzerland declared it would join the AIIB on March 13, France, Germany and Italy on March 16, and Austria a week later (Anderlini 2015).

[2] The Luxembourg Prime Minister also noted that then British Prime Minister David Cameron was not happy about being second in the European rush to join the AIIB. However, due to the relatively bigger size and power of the UK, and because the British Government was a strong supporter of the Bank, the global community remembers the UK's decision – not tiny Luxembourg's – as the game-changer (on the UK as game changer see Anderlini 2015).

[3] The author was a registered attendee at the AIIB Annual Meeting in Luxembourg, July 2019.

[4] Author's notes from discussions with European-based CSOs at the AIIB Annual Meeting in Luxembourg, July 2019.

[5] A French source has defined the AIIB as a perfect example of complementarity between Europe's industrial and financial savoir-faire and Asia's infrastructure needs (Nicolas and Di Meglio 2015).

[6] EBRD and AIIB also signed a Memorandum of Understanding in May 2016.

[7] Author's notes from the AIIB's presentation at the Italian Ministry of Finance, April 2019.

[8] Greece and Serbia are also prospective members. Russia and Turkey – two founding members of the Bank – are partially located in Europe, but they have been assigned as members in other constituencies: Russia is with Iran, Kazakhstan, and Tajikistan; Turkey is with Azerbaijan, Brunei Darussalam, Georgia, the Kyrgyz Republic, and Pakistan.

[9] "Regional" for the AIIB means "Asian regional".

[10] Source: https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html [Accessed 2/8/2019]

[11] AIIB website: https://www.aiib.org/en/about-aiib/governance/_common/_download/AIIB_organizational_structure.pdf [Accessed 2/8/2019].

[12] Natalie Lichtenstein has spent her legal career in the public sector, government and World Bank: 'What was surprising to many was my American passport, considering the US absence from the scene; others took this as an early indication of AIIB's preference for technical skills and recruitment regardless of nationality' (Lichtenstein 2018: 3).

[13] EBRD Article 13 (xii).

[14] The project in Laos is co-financed equally by the WB and the AIIB, with a participation of the Nordic Development Council. The two projects in Tajikistan were co-financed by the WB and the EBRD respectively, with the two Banks disbursing the bulk of the funds. Source: https://www.aiib.org/en/projects/approved/index.html [Accessed 2 August 2019].

[15] Prohibited practices at the Bank are: coercive practice; collusive practice; corrupt practice; fraudulent practice; misuse of resources; obstructive practice; and theft (AIIB 2016a).

[16] '[…] Through the Projects it finances, the Bank assists its Clients in protecting and conserving biodiversity and promoting the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities […]'

[17] '[…] The Bank: promotes the conservation of energy, water and other resources; supports sustainable land use management; and encourages making best use of green growth and low-carbon technologies, renewable energy, cleaner production, sustainable transport systems and sustainable urban development'.

[18] There were even rumors that Italy would request the Bank to invest in Italy (Ghiglione et al. 2019).

[19] At the Luxembourg meeting, the Egyptian Finance Minister for example was quite frank in challenging what 'we' mean by infrastructure investment, and he underlined the need to 'come closer in definitions' if we want to tackle poverty. Author's notes from the AIIB annual meeting in Luxembourg, July 2019.

Table 1. European members of the AIIB, divided by constituencies.

Euro Area Constituency (EAC)	*Europe Constituency*
Austria	**Denmark**
Belgium	Hungary
Cyprus	**Iceland**
Finland	**Norway**
France	**Poland**
Germany	Romania
Ireland	**Sweden**
Italy	**Switzerland**
Luxembourg	**United Kingdom**
Malta	
Netherlands	
Portugal	
Spain	

Source: https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html. Founding Members are in bold.

Table 2. European members of the AIIB, shares of capital subscriptions and votes.

Member States	**Percent of total subscriptions**	**Percent of total votes**
Austria	0.0665	0.2283
Belgium	To be assigned	To be assigned
Cyprus*	0.0207	0.1891
Denmark	0.3833	0.5526
Finland	0.3219	0.5001
France	3.5015	3.2208
Germany	4.6515	4.2048
Hungary	0.1037	0.2602
Iceland	0.0183	0.2403
Ireland	0.1362	0.2879
Italy	2.6677	2.5074
Luxembourg	0.0723	0.2865
Malta	0.0141	0.2367
Netherlands	1.0698	1.1400
Norway	0.5711	0.7134
Poland	0.8628	0.9630
Portugal	0.0674	0.2823
Romania	0.1587	0.3072
Spain	1.8272	1.7881
Sweden	0.6535	0.7838
Switzerland	0.7328	0.8516

United Kingdom	3.1687	2.9360
Total	21.0697	22.4801

Source: https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html. *Cyprus is considered an AIIB 'regional member'.