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Asian Infrastructure Investment Bank, New Development Bank and the Reshaping of Global Economic Order: Unfolding Trends and Perceptions in Sino-Indian Economic Relations

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Abstract

While much of the literature is preoccupied with China's leading role in reshaping the rules of global economic governance through various mechanisms such as the Asian Infrastructure Investment Bank (AIIB) and New Development Bank (NDB) among others, the significance of India in these efforts is considered secondary to China. In comparison to China, India not only provides a democratic aperture but also facelifts institutional values and make the institutions more multilateral to be approached by developing countries which are otherwise skeptical of China's rise. In addition, India's membership also reinforces the foundations of these institutions where sustained economic growth is the key principle.

The paper attempts to examine how India and China contribute to the success of these mechanisms in terms of monetary funding and the role of public financial entities from respective countries and negotiations. With slowing down of economies of major developing countries like Brazil, South Africa and Russia, China and India are left with major responsibility to keep the pace of multilateral economic cooperation undeterred. It is interesting to see how stable, participative and transparent this transformed economic governance would emerge in the coming decades. The paper also looks at possible setbacks it may face in terms of competitive trends between India and China's economy for resources such as energy in the countries involved in these negotiations. The institutions like AIIB and NDB need to overcome the biases deep rooted in bilateral relations, and seek wider cooperation needed to outperform the sense of competitiveness.

Keywords: *development finance, global economic governance, AIIB, NDB, China, India*

1. Introduction

In the past few years, global governance has undergone normative and structural transformations. To illustrate a few – inclusion of broadened mechanisms for participation, emergence of alternative institutions for participative and transparent governance and rules, and reshaping of international economic institutions are leading the path of cooperation framework. The establishment of new global economic governance mechanisms such as the Asian Infrastructure Investment Bank (AIIB) and New Development Bank (NDB) are examples to analyze this perspective. With the establishment of these mechanisms, new hopes are seen surfacing the landscape, which are transparency, equality and free accessibility to opportunities for economic development of regions which were neglected for decades. However, fears also formed regarding the emergence of new hegemons, substandard and biased rules, and the risk of inefficiency due to lack of experience of these new institutions.

With countries like China and India taking a lead in creating and curating multilateral financial institutions like AIIB, those countries which were left behind in their efforts to seek funds for development and keep up the growth rate found new hope. Even despite being a founding member of the bank, India also sought an opportunity to get funding from the bank to facilitate project financing. One cannot ignore the fact that, since the time of its inception, the AIIB encountered doubts regarding its functionalities and credibility to operate as a successful funding agency in pan-Asian and pan-continents. The AIIB has development as its core principle and with countries like China and India at the helm, it gave an impression of convergence over development which may overcome the geopolitical apprehension. This was significant especially on the backdrop when some of the scholarly work accused the AIIB of challenging Japan's position in the Asian Development Bank (ADB). In fact, some leading journals also indicate apprehensiveness about these institutions where China heads the board and influence decision-making but the mere fact that the institution is run by developing countries reassures the broad basis of these institutions. One counter argument to these doubts could be, if China attempts to create a cooperative and developmental agenda through these institutions, these institutions do play a critical role in raising expectations from China and urging China to be a responsible stakeholder to successfully operate the Asian Infrastructure Investment Bank by strengthening the promotion of good governance.

2. Towards Participative, Transparent and Stable Global Economic Governance

The primary institutions of global economic governance such as the International Monetary Fund (IMF),[1] the World Bank (WB)[2] and the World

Trade Organization (WTO), trace their origins to the post-war period. With the spread of globalization and rise of emerging markets particularly China and India, the needs and goals of the international economy are undergoing changes attributing to a call for the reshaping of the rules of global economic governance, and not just reforms in the existing institutions. The IMF also underwent a few changes in its structure in the beginning of 2016,[3] whereby China was given the third largest place among the IMF quotas and more than six per cent of quota shares were shifted to developing countries (Zhou, 2016; *China Daily*, 2016; IMF, 2019).[4] It has been argued that China's success in establishing the AIIB and the refusal of Britain to go with the United States (US) call to boycott the AIIB resulted in persuading the US Congress to pass the legislation to implement long-due agreements (*China Daily*, 2016). Along with these reforms, China, India and Russia now rank among the top ten shareholders at the IMF.[5]

Along with these reforms, the emergence of new mechanisms such as the AIIB and NDB among others is significant to the global economic reforms in terms of providing a platform for the emerging markets to play an increased and vital role in the decision-making, not only in the IMF, or the WB, but also in the reshaping of the rules of global governance; as well as a diminished role for the WTO as nations embrace regional and bilateral trade agreements with the rise of new trade institutions (Institute for International Economic Policy, 2016).

The idea to set up the New Development Bank evolved throughout the Delhi Summit of BRICS in 2012 and Durban Summit of BRICS[6] in 2013, with the aim of mobilizing resources for infrastructure and sustainable development projects within the BRICS and beyond. The agreement to establish the NDB was signed in 2014 during the Fortaleza Summit of BRICS. The NDB came into force in 2015 during the inaugural meeting of the Board of Directors of NDB with initial authorized capital of US$100 billion and initial subscribed capital of US$50 billion (NDB, 2014). AIIB was officially established in 2015 with an authorized capital of US$100 billion in which India and 56 other countries joined as founding members. It, similar to NDB, is aimed at infrastructure financing (*The Hindu*, 2015).

Contrary to the belief and initial speculations that NDB and AIIB outshine the existing international monetary institutions and challenge them (Dove, 2016),[7] if one looks closely at the projects' fund break-up, it is interesting to note that these new institutions are working rather closely with the existing institutions with a huge share of funding coming from these existing institutions (Table 1). The AIIB and World Bank signed their first Co-Financing Framework Agreement in 2016 which outlines the co-financing parameters of AIIB-World Bank investment projects (AIIB, 2016g).[8] Not only that, the AIIB has signed a memorandum of cooperation with the Eurasian

Development Bank, Islamic Development Bank, African Development Bank and African Development Fund, European Investment Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, New Development Bank, four major bodies of the World Bank Group in 2017 (International Bank for Reconstruction and Development, International Development Association, International Finance Corporation and Multilateral Investment Guarantee Agency) and Asian Development Bank (AIIB, 2019b).

It can be said that the rise of these new mechanisms does not necessarily contradict with the existing ones, rather complements them by providing their support to these institutions. For instance, the BRICS supports G20 as the primary forum for international economic cooperation for broader, more inclusive, representative and effective collaboration compared to previous institutions (Zhu, 2016a). Here, G20 which entered the institutional transition stage since the 2010 Toronto Summit, being an informal institution and representing leaders from major developed world and emerging market economies, has 'comparative advantage in agenda setting and consensus-building in global economic governance (Zhu, 2016b). As the Bretton Woods institutions are facing the issue of representing geopolitical realities of the 21st century, new mechanisms like NDB and AIIB, with completion of almost four years of their founding, would not only invoke the reforms in these institutions but would also complement the agenda-setting process of global economic governance. These two multilateral development banks (MDB) have proven to lead the multifaceted path of goal-oriented investments, blurring the stark geopolitical divisions and proving the beliefs which predicted that they presented threats to global governance wrong. Rather, they represent a platform for developing economies to effectively channel their increasing strengths to global development and infrastructure growth,[9] and "promoting new norms of shared leadership, responsibility in advancement of, rather than in contradiction to, the existing international order" (Dove, 2016).

One of the purposes of setting up these new institutions is to provide a more stable, participative and transparent look to global economic governance. Both India and China as leading contributors to these mechanisms and major emerging economies calling for reforms in the global economic governance have the potential to play very crucial roles.[10]

3. How India and China can Contribute to its Success

Being major shareholders in these new MDBs, both China and India have the potential to contribute to the development of the least developed and fellow developing countries through monetary aid and loans in the form of funding to these institutions and role of their respective public and private financing entities. Both China and India are among the largest stakeholders to both institutions. For instance, China has a voting share of 26.56 per cent (at 300,237 votes) with total subscriptions of US$29,780.4 million (30.79 per cent of total). India having 7.62 per cent voting share (at 86,106 votes) with total subscription of US$8,367.3 million (8.65 per cent of total) is the second largest stakeholder at AIIB (AIIB, 2016f; AIIB, 2019a). Their development finance, largely through the NDB and AIIB, has contributed not only in bringing new projects to these countries, but also intensified the debate on aid effectiveness in the Organization for Economic Co-operation and Development (OECD) and in the United Nations (UN). The projects financed by the NDB and the AIIB are based on market-based approach (on sound banking principle) providing more sustainable funding.

Among major emerging market economies in the world, Russia, Brazil and China are facing a slowdown in recent years. Notwithstanding the global trend of economic slowdown be it China or Brazil, India continues to maintain a high growth rate with almost 7 per cent for the last four years. With the approval of Goods and Services Tax (GST) bill, it is expected to raise the Indian Gross Domestic Product (GDP) by 0.5-0.8 percentage points in the medium term as per the HSBC and Goldman Sachs estimates (Chandran, 2016), same is expected to rise between 0.9 to 1.7 per cent as per the study conducted by the Customs and Central Excise Department (*The Economic Times*, 2017). As China struggles to maintain its economic growth at 6-7 per cent, India provides more viable space for investments.

Besides being a contributor to both the AIIB and the NDB's monetary funds, India's private sector lender bank, the ICICI Bank became the first Indian financial institution to tie up with the NDB for partnership in bond issuances, co-financing, treasury management and human resources. A memorandum of understanding (MoU) was signed between the two in the first week of May 2016 (*The Economic Times*, 2016b). This will also add to the role of public-private partnerships (PPPs) in NDB-funded projects. At the same time, China's commercial bank, China Construction Bank (CCB) also signed a MoU with NDB on 9 June 2016. The CCB plays a very important role in infrastructure financing within China. These initiatives indicate the significance of private financial entities of both countries towards the process of infrastructure financing.

4. Implications beyond Power-Contestation in the Region

A majority of the development finance from these institutions are aimed at infrastructure, basically at mutual benefits, not merely at the social sector unlike the projects financed by the primary institutions like the IMF and the WB. Secondly, the AIIB and NDB both are supposed to replicate the so-called China experience of being capable of speedier project preparation, approval and implementation unlike existing multilateral development banks (Greenwood, 2016). Thirdly, these projects are supposed to be based on non-cash financing without policy conditionality, circumventing corruption (Zhu, 2016).

The mechanisms including AIIB and NDB offer India with an opportunity to pursue its own development projects and also complement its vision to connect with Central Asia and East Asia. The AIIB and NDB can prove crucial in providing finance for its initiatives such as the Look East Policy, Iran-Pakistan-India pipeline, Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline among others (Sahasrabuddhe, 2015).

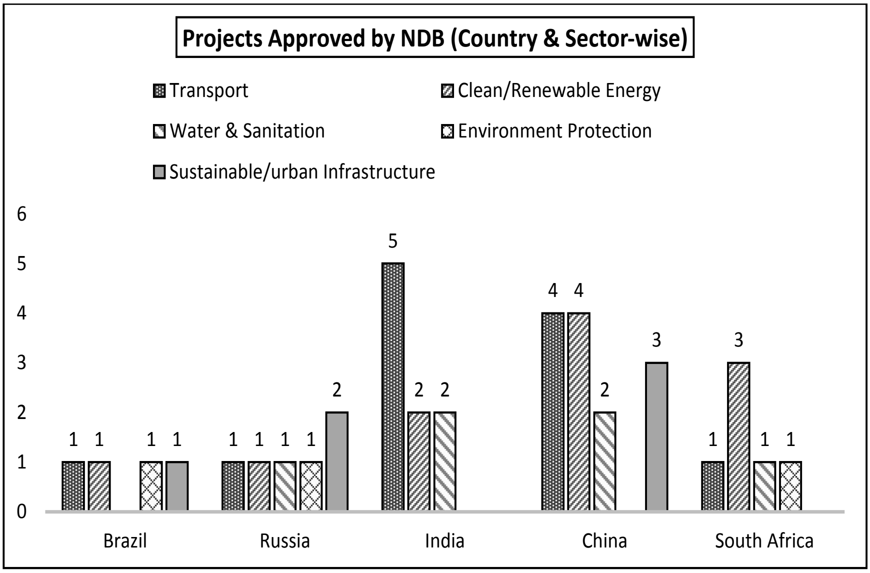
For China, which is readjusting its economy through 'New Normal' and by relying on supply side reforms with rebalancing it towards more domestic consumption and less exports and investments, these mechanisms provide it with the tools to move its investments abroad.

4.1. What NDB and AIIB Have Achieved So Far?

Unlike focussing on social-oriented goals like poverty alleviations, NDB provides loans for clean energy projects, social infrastructure, transportation, water supply, etc. In April 2016, it sanctioned loans amounting to US$811 million supporting the building of 2,370 MW of renewable energy capacities to four countries, namely, Brazil (to Banco Nacional de Desenvolvimento Economico e Social for US$300 million to build 600 megawatts of renewable energy capacity), India (to Canara Bank for US$250 million of renewable-energy projects), South Africa (Eskom Holdings SOC Ltd for US$180 million for renewable energy generation) and China (Shanghai Lingang Hongbo New Energy Development Co. for US$81 million loan for a rooftop solar power project) (*The BRICS Post*, 2016; *The Economic Times*, 2016b; NDB, 2016). Besides these projects, other projects have been approved over time including a hydropower project for Russia (*The BRICS Post*, 2016; NDB, 2019). So far, NDB has approved approximately 38 projects as of August 2019 (NDB, 2019).

The AIIB's targeted loans to eight countries in 2016 for infrastructure projects gave hope to the norm targeted at developing the region with minimal or without any red tape or environment and other regulations (Table 1). Out of these eight loans, the four namely, in Bangladesh, Indonesia, Pakistan and Tajikistan totaling US$509 million were approved within the first six months of its establishment (AIIB, 2016a). The Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD) and the World Bank are co-financing three out of these four loans in 2016. In 2017, AIIB approved 15 projects with India bagging five of them, the highest number of projects. In year 2018, AIIB approved 11 projects, and in 2019 (up to August),

Figure 1 Projects Approved by NDB (country-wise)



Source: Accumulated by the author from diverse sources, majorly from AIIB.

approved 12 projects. In 2017, more than half of the loans were co-financed by either the World Bank or ADB. Moving forward in 2018 and 2019, AIIB is co-financing the projects with many more regional banks in addition to the international institutions like the World Bank. For instance, in 2018, AIIB approved a loan for the Tuz Golu Gas Storage Expansion Project in Turkey, co-financing the project with the World Bank and Islamic Development Bank (Table 3). AIIB is also co-financing with the European Bank for Reconstruction and Development for the Efeler 97.6 MV Geothermal Power Plant Expansion Project in Turkey in 2019.

Looking at the number of projects AIIB is co-financing with other major institutions such as the World Bank and Asian Development Bank, it certainly raises new hopes towards cooperation among multilateral development banks and reaffirms its commitment to development and not just power-projections. In the last four years from official establishment to project investments, AIIB has continuously developed its own governance structure, mechanisms and policies. The success of this newly created multilateral development bank (MDB) witnesses more accountability coming its way. The size of its operation and function continue to grow. On July 13, 2019, the Asian Infrastructure Investment Bank (AIIB) Board of Directors approved Benin, Djibouti and Rwanda to join the bank. So far, the total number of AIIB members has reached 100.

Table 1 Projects Approved/Under Consideration by AIIB in 2016

No.	Country	Project Title	Sector	Co-financer
1	Indonesia	National Slum Upgrading Project (NSUP)	Urban Transport, Solid Waste Management	World Bank
2	Tajikistan	Dushanbe-Uzbekistan Border Road Improvement Project	Transport	European Bank for Reconstruction and Development
3	Bangladesh	Distribution System Upgrade and Expansion Project	Energy	Local Financier
4	Pakistan	National Motorway M-4 Project	Transport	Asia Development Bank
5	Pakistan	Tarbela 5 Hydropower Extension Project	Hydropower, Energy	World Bank
6	Myanmar	Myingyan Power Plant Project	Energy	IFC, ADB and other commercial lenders
7	Oman	Duqm Port Commercial Terminal and Operational Zone Development Project	Transport	Local Authorities (here, SEZAD)
8	Azerbaijian	Trans Anatolian Natural Gas Pipeline Project	Energy	World Bank (lead co-financiar)

Source: Accumulated by the author from diverse sources, majorly from AIIB.

Table 2 Projects Approved by AIIB in 2017

No.	Country	Project Title	Sectors	Co-financer
1	Indonesia	Regional Infrastructure Development Fund Project	Multisector	Swiss State Secretariat for Economic Affairs (SECO) via World Bank
2	Indonesia	Dam Operational Improvement and Safety Project Phase II	Multisector	World Bank, Borrower
3	Bangladesh	Natural Gas Infrastructure and Efficiency Improvement Project	Energy	ADB, Government of Bangladesh
4	India	Andhra Pradesh 24*7 – Power for All	Energy	World Bank, Government of Andhra Pradesh
5	Georgia	Batumi Bypass Road Project	Transport	ADB, Borrower
6	India	India Infrastructure Fund	Finance	Others
7	Tajikistan	Nurek Hydropower Rehabilitation Project, Phase I	Energy	World Bank, Eurasian Development Bank
8	India	Gujarat Rural Roads (MMGSY) Project – Phase I	Transport	
9	Egypt	Round II Solar PV Feed-in Tariffs Program	Energy	IFC and others
10	India	Transmission System Strengthening Project	Energy	ADB and Power Grid Corporation of India
11	Asia	IFC Emerging Asia Fund	Finance	IFC and others
12	Philippines	Metro Manila Flood Management Project	Water	World Bank, Borrower
13	India	Bangalore Metro Rail Project-Line R6	Transport	Local bodies, European Investment Bank (EIB)
14	Oman	Broadband Infrastructure Project	Telecoms	Funded by equity, debts and operating cash flow
15	China	Beijing Air Quality Improvement and Coal Replacement Project	Energy	Local: Beijing Municipality, China Clean Development Mechanism Fund (CCDMF) & Others

Source: Accumulated by the author from diverse sources, majorly from AIIB.

Table 3 Projects Approved by AIIB in 2018

No.	Country	Project Title	Sectors	Co-financer
1	Bangladesh	Bangladesh Bhola IPP	Energy	–
2	India	Madhya Pradesh Rural Connectivity Project	Transport	World Bank, Borrower
3	India	National Investment and Infrastructure Fund	Finance	Government of India
4	Turkey	Tuz Golu Gas Storage Expansion Project	Energy	World Bank, Islamic Development Bank, commercial loans and others
5	Indonesia	Strategic Irrigation Modernization and Urgent Rehabilitation Project	Water	World Bank, Borrower
6	India	Andhra Pradesh Rural Roads Projects	Transport	Government of Andhra Pradesh
7	Egypt	Sustainable Rural Sanitation Services Program	Water	World Bank, Borrower
8	Turkey	TSKB Sustainable Energy and Infrastructure On-lending Facility	Finance	–
9	Indonesia	Mandalika Urban and Tourism Infrastructure Project	Multisector	Government of Indonesia
10	India	Andhra Pradesh Urban Water Supply and Septage Management Improvement Project	Water	Government of Andhra Pradesh
11	Asia	AIIB Asia ESG Enhanced Credit Managed Portfolio	Finance	–

Source: Accumulated by the author from diverse sources, majorly from AIIB.

Table 4 Projects Approved/Under Consideration by AIIB in 2019 (up to August)

No.	Country	Project Title	Sectors	Co-financer
1	Bangladesh	Power System Upgrade and Expansion Project	Energy	Government, borrower
2	Lao PDR	National Road 13 Improvement and Maintenance	Transport	IDA
3	Sri Lanka	Reduction of Landslide Vulnerability by Mitigation Measures Project	Other	–
4	Sri Lanka	Colombo Urban Regeneration Project	Urban	–
5	Nepal	Upper Trishuli-1 Hydropower Project	Energy	Equity, Debt
6	Turkey	Efeler 97.6 MV Geothermal Power Plant Expansion Project	Energy	European Bank for Reconstruction and Development, and others
7	Bangladesh	Municipal Water Supply and Sanitation Project	Water	World Bank/IDA Loan, Government of Bangladesh
8	Cambodia	Fiber Optic Communication Network	Digital Infrastructure	
9	India	L&T Green Infrastructure On-lending Facility	Finance	–
10	Hong Kong, China	Asia Investment Fund	Finance	–
11		Infrastructure Private Capital Mobilization Platform[11]	Multisector	Investors and partners
12	Multi-Country	Asia Climate Bond Portfolio	Multisector	Plans to mobilize some from climate change focused institutional investors

Note: "–" details not available.
Source: Accumulated by the author from diverse sources, majorly from AIIB.

India has secured approximately ten projects from AIIB. One of the loans has been secured by India for the Transmission System Strengthening Project in the Tamil Nadu region (Table 2: No. 10). As India's southern region has been facing serious power supply shortage due to delay in generating projects and due to insufficiency of gas supply for existing gas projects, this project with US$150 million from AIIB is very crucial to meet the power supply demand in the region. Some estimates indicate that as of today maximum power demand of the southern region alone is about 39 GW. In spite of import capacity of approximately 5.9 GW from the north-east-west grid, the supply deficit in the southern region is still around 3.4 GW (AIIB, 2017). The impact of the project will be increased availability and sustainability of power supply in India. To add more to India's target to gain from AIIB and NDB, former Indian Finance Minister, Arun Jaitley, while addressing the Board of Governors Session of the Annual General Meeting (AGM) of the AIIB in June 2016, insisted on India's huge unmet demand for investment in infrastructure and preparation of India for projects worth US$2-3 billion for AIIB funding in areas of urban development, energy, transport, railways and water supply (*The Economic Times*, 2016a).

These new sources of finance should be seen as a welcome step as these projects, aimed at power generation, complement the manufacturing sectors and the development agenda of India. In light of restrictions coming from the World Bank[12] to finance the coal-fired electricity projects back in 2013 (Subramanya, 2015), India, being the world's fifth-largest coal reserve holder with approximately 300 million people with no access to electricity, cannot help but welcome alternate source of finances to meets its need for power supply. The loans coming from AIIB and NDB are a welcome step in this direction. Though it is too soon to claim how much these new institutions would benefit India, yet looking at the projects India has been able to get sponsored by both AIIB and NDP, it is obvious that it adds to India's development goals. India has been able to successfully gain loans for two of its major projects, both targeted at power supply, despite unresolved border disputes with the major stakeholder in these two institutions, i.e. China. Though already on its way to benefit from the money lent by AIIB and NDB, India needs to keep its options open even at the Bretton Woods Institutions, which are under reform since January 2016.

It may be worth mentioning that while facing many challenges in their bilateral relationship including India having a trade deficit with China, long-standing border disputes and geo-political struggle, both have found new ways, not only to be partners to lead the growth in developing regions around the world, but also to benefit in the process of targeting infrastructure and development goals.

5. Major Challenges

Though both India and China have the potential to contribute to the success of these two initiatives, there are also apprehensions given the history of tensions between the two, due to unresolved border issues. Though this claim is losing its weight due to ever increasing trade and cooperation between the two in recent decades, however, despite sound trade and regular meetings of the head of governments between the two in recent years, both share a competitive trend towards power in terms of access to resources, i.e. energy as well as stakes in major international institutions. It has been argued that China might utilize AIIB and NDB to advance its economic diplomacy in Africa and Southeast Asia and elsewhere (Batra, 2014). These concerns have dominated Indian policy makers since the conceptualization of such mechanisms. Besides, for quite some time, both the United States and Japan have also expressed their apprehensions about China's intentions for power contestation in the region by opting out of AIIB and claiming AIIB to be a China-led substitute for Asian Development Bank (which is primarily led by Japan).

Besides contestation among major emerging market economies as well as among the developed countries either for power in the global political setting or for the resources, the new global governance platforms in the form of development financing institutions such as the AIIB and the NDB, are not without drawbacks. For instance, the AIIB, with a capital of US$100 billion, has the potential to fund only US$20-25 billion worth of projects each year, which is more or less of the same magnitude as that of the ADB and the World Bank each in Asia, while the amount of funds needed annually in the region is many times this amount (Greenwood, 2016). Though looking at the speed of projects approval over the course of the last four years, it brings hopes for the success of these mechanisms. However, the major challenge is to do with implementation. AIIB and NDB which focus on public-private partnerships (PPPs), have a long way to go in light of experiences of previous multilateral development banks in lacking of a sound regulatory framework to manage PPPs.

Another significant challenge remains in the form of governance. Asian countries, except for a few developed countries like South Korea and Japan, face an upward task to maintain uncompromised standards of governance. If China wants to contribute to the success of AIIB, it needs to strengthen the promotion of good governance. ADB expects the Asian economy will continue to grow and soon reach the size of US$8 trillion and US$290 billion in national and regional infrastructure. The initial goal of establishing AIIB with a consensus to invest US$100 billion in registered capital and help towards the public sector's investment is accomplished. But for the future, the successful operation of AIIB will depend on private sector funding. In order to attract the private sector to increase investment in long-term infrastructure projects in the region, Asian countries need to improve their management systems – involving legal rules, independent legislative bodies and judicial institutions, policy predictability, clean politics, political stability, etc. Without these factors, international market funds will not venture into emerging economies.

6. Conclusion

Looking at the progress of AIIB and NDB in the first half of 2019, it can be said that these institutions are consistent in their attempt to work towards cooperative relationship. Beyond growth in numbers, as a new multilateral financial institution, AIIB plays an important role in achieving global sustainable and low carbon inclusive development in order to promote the environmental and social benefits of ensuring investment.

With India and China being major shareholders in both AIIB and NDB, they have the opportunity to redefine development finance and bring more stability to global economic governance. Both India and China recognize that AIIB need to maintain an open attitude of listening to and absorbing opinions from all parties. If successful in the long term, these institutions have the potential to bring more transparency and equality to the global economic regime, providing a platform for emerging market economies in the agenda-setting and decision-making process of governance, thus contributing to the goal of global governance and growth. In the process, China and India are set to gain both in geo-economic and geo-political terms, adding to their global clout.

Notes

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1. The IMF was created in 1945 and currently has a membership of 189 countries. The IMF focuses primarily on the functioning and stability of the international monetary system including that of exchange rates and international payments. For more details, please refer to the International Monetary Fund (n.d.), "About the IMF", available at <https://www.imf.org/en/About>.
2. The World Bank was founded in 1944, as the International Bank for Reconstruction and Development, later called as the World Bank. The World Bank currently has expanded to a closely associated group of five development institutions namely, the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID). For more

details, please refer to World Bank (n.d.), "The World Bank<Who We Are>", available at <https://www.worldbank.org/en/who-we-are>.
3. These changes were agreed in December 2010 as a result of the international financial crisis.
4. Effective from 26 January 2016, the quota share of China has risen from 3.996% to 6.394% as per the Board Reform of Amendment. It stands at 6.41% as of August 28, 2019. The IMF (2019), "IMF Members' Quotas and Voting Power, and IMF Board of Governors", 28 August, available at <https://www.imf.org/external/np/sec/memdir/members.aspx>.
5. India stands at 2.76%, China at 6.41% and Russia has a share of 2.71%. Others which are among the top ten include Brazil (2.32%), Canada (2.32%), France (4.24%), Germany (5.60%), Italy (3.17%), Japan (6.48%), United States (17.46%) as of August 2019. The IMF (2019), "IMF Members' Quotas and Voting Power, and IMF Board of Governors", 28 August, available at <https://www.imf.org/external/np/sec/memdir/members.aspx>.
6. BRICS is an acronym for the association of five major developing economies – Brazil, Russia, India, China and South Africa. BRICS was originally a group of the first four known as BRIC, before the induction of South Africa in 2010.
7. Dove, Jonathan (2016), "The AIIB and the NDB: The End of Multilateralism or a New Beginning", *The Diplomat*, 26 April, available at <https://thediplomat.com/2016/04/the-aiib-and-the-ndb-the-end-of-multilateralism-or-a-new-beginning/>.
8. The AIIB President Jin Liqun and World Bank Group President Jim Yong Kim signed the agreement to co-finance projects in sectors such as water, transport and energy in regions of Central Asia, South Asia and East Asia. AIIB (2016g), "AIIB and World Bank sign first Co-Financing Framework Agreement", 14 April, available at <https://www.aiib.org/en/news-events/news/2016/20160414_002.html>.
9. This is reflected in the shift in the global power balance. "Since 2000 the share of the BRICS in the world's (nominal) GDP has grown from 8% to 22%. In contrast, the share of the Group of 7 (G7 – Canada, France, Germany, Italy, Japan, United Kingdom and United States) has declined from 65% to 45%. Measured in purchasing power parity (PPP), the BRICS and the G7 now each account for roughly a third of global GDP." (Wang, 2019)
10. India and China have a voting share of 7.6183% and 26.5637% in AIIB (AIIB 2019a), while all the five BRICS countries hold equal shares at the NDB.
11. Details not yet available.
12. In 2013, the US government placed severe restrictions on coal-fired electricity generation abroad due to its concern for the issue of climate change. This step was later included in the World Bank's policy for lending money to countries.

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