
MEMORANDUM OF UNDERSTANDING

FOR COOPERATION

between

THE ASIAN INFRASTRUCTURE INVESTMENT BANK

and

THE WORLD BANK

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1. Introduction

This Memorandum of Understanding (“MOU”) is between the Asian Infrastructure Investment Bank (AIIB) and the World Bank. For the purposes of this MOU, the World Bank consists of the International Bank for Reconstruction and Development (“IBRD”), the International Development Association (IDA), the International Finance Cooperation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).

WHEREAS, the AIIB is a AAA-rated multilateral development institution established under the Articles of Agreement of the AIIB, with the purpose to: (i) foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors; and (ii) promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions. It began operations in 2016 and is engaged in enabling clients to build Infrastructure for Tomorrow (“i4t”) with cross-cutting themes including green infrastructure, connectivity and regional cooperation, technology-enabled infrastructure and private capital mobilization. Reflecting its commitment to support the Paris Agreement and the importance AIIB places on addressing climate change, AIIB’s target is for climate finance to represent 50 percent in its actual financing approvals by 2025.

WHEREAS, the World Bank is an international development institution established by articles of agreement adopted by its member countries. The World Bank’s mission is to reduce poverty, improve living conditions, and promote sustainable and comprehensive development in the developing world. It achieves these objectives by providing loans, concessional financing, technical assistance, and knowledge-sharing services to its member countries and through partnerships with other organizations. The World Bank has an interest in collaborating with public and private entities to improve the effectiveness of development assistance, thereby contributing to the achievement of the sustainable development goals. It quantifies its impact through a focused Scorecard.

WHEREAS, the World Bank and AIIB (hereinafter referred to as the “Participants”, and individually, each a “Participant”), have entered into a number of agreements, including an MOU signed on April 23, 2017 and a Co-Financing Framework Agreement, entered into by and between IBRD, IDA and AIIB on May 15, 2021, which reflect the Participants’ agreement on cooperation and the co-financing of certain development projects, and which have provided a basis for fruitful cooperation on co-financing of operations thus far.

CONSIDERING THAT, AIIB and the World Bank wish to renew and complement the basis on which the Participants may explore opportunities for cooperation and collaboration in matters of common interest, and to render their respective activities more effective and beneficial.

THEREFORE, the Participants enter into this MOU to describe their mutual intention to collaborate and cooperate on the common objectives described below.

2. Overall Objectives

The Participants desire to collaborate in the following non-exhaustive areas: (1) climate change; (2) social infrastructure, with a focus on health; and (3) biodiversity, which are fully aligned with the World Bank's relevant Global Challenge Programs and the Corporate Scorecard as well as AIIB's Financing Infrastructure for Tomorrow Strategy. These and any other areas to be agreed between the Participants are subject to their respective internal objectives, functions, policies, and procedures.

This MOU provides a framework within which the Participants may develop and undertake collaborative activities and is not intended to interfere with the Participants' independent decision-making with regards to their own respective administration and operations.

3. Activities and Cross-Cutting Areas of Collaboration

The Participants plan to carry out the following activities, within the areas of collaboration as further elaborated in the Annex:

- (a) Share knowledge, ideas, and lessons learned.
- (b) Plan joint activities in areas of common interest, including strategic cooperation and grant/concessional resources collaboration and financial innovation related to the activities under this MOU.
- (c) Explore co-financing opportunities in accordance with the Co-financing Framework Agreement.
- (d) Explore harmonization of practices between the Participants to facilitate the carrying out of activities under this MOU.
- (e) Jointly engage in a dialogue with stakeholders and others interested in activities being pursued under this MOU.
- (f) Periodically evaluate the effectiveness of working in collaboration with each other, with reference to their respective organizational mandates and priorities.

To advance the implementation of this MOU, the Participants intend to jointly develop a non-binding action plan ("Action Plan") based on the areas outlined in Article 2 above. The Action Plan may contain the following information: (a) scope of activities and an estimated timeline for

their completion; and (b) financial and non-financial resources that may be committed, subject to the internal policies, procedures, and approvals of each Participant. Any engagements that the Participants may decide to pursue jointly under the Action Plan will be subject to separate and legally binding agreements that would be discussed and executed separately from this MOU. In accordance with this MOU, it is understood that the list of planned activities provided herein is non-exhaustive and may be subject to further additions or modifications as mutually agreed upon by the Participants.

4. Intellectual Property

The Participants acknowledge that nothing in this MOU is intended to grant a Participant the right to use intellectual property owned or controlled by another Participant. The Participants intend to jointly decide in writing on the ownership and use of any intellectual property deriving from activities under this MOU.

The Participants also acknowledge that they may not use the name, mark, or logo of another Participant, or any variation thereof, without the prior written approval of the appropriate Participant.

5. Publicity and Confidentiality

This MOU may be publicly disclosed by the Participants. Such disclosure will be made subject to the Participants' respective disclosure or access to information policies. Any information shared between the Participants under this MOU that is designated as "CONFIDENTIAL" may require prior written consent of the other Participant.

6. Disclaimers

- (a) Nothing in this MOU is intended to be construed as creating a joint venture, an agency relationship, or a legal partnership between the Participants.
- (b) Nothing in this MOU is intended to constitute an agreement or commitment by any Participant to enter into or provide support for any specific activity or project.
- (c) Nothing in this MOU is intended to constitute commitment with regards to the financing of any specific activity or project.
- (d) Each Participant is responsible for its respective costs and expenses that may be incurred in connection with the activities described in this MOU, unless otherwise agreed separately.
- (e) Nothing in this MOU restricts a Participant from entering similar arrangements with third parties covering the same or similar subject matter areas or activities.

(f) Nothing herein is intended to prevent the Participants from entering into separate and legally binding agreements related to the areas of collaboration described in this MOU, or otherwise, provided, however, that any such separate and legally binding agreements are discussed and executed separately from this MOU and be subject to the specific terms and conditions set forth therein.

7. Privileges and Immunities

Nothing in this MOU is intended to be a waiver of the privileges and immunities of any of the Participants or their officers and employees, as applicable, which privileges and immunities are hereby specifically reserved.

8. Disagreements

The Participants acknowledge their intent to resolve any disagreements arising out of this MOU amicably through consultations.

9. Term and Termination

- (a) The Participants intend to cooperate as set out in this MOU for an initial period of 5 (five) years from the date of its entry into effect, unless terminated as provided in paragraph (b) below.
- (b) The Participants endeavor, if they wish to no longer collaborate as set out in this MOU, to end their collaboration under this MOU by: (1) mutual written declaration of the Participants; or (2) a unilateral statement in writing by any Participant 60 calendar days in advance of the intended end of their engagement to the other Participant.

10. Notices, Communications, and Amendments

The Participants intend to make notices, communication, and amendments related to this MOU in writing (wet ink or electronic mail).

11. Official Representatives and Addresses

Unless notified otherwise, each Participant designates below its representative with overall responsibility for all activities and communication in connection with this MOU.

For the World Bank:

1818 H Street, NW, Washington, D.C. 20433

United States of America

Attention: Director of Strategy & Operations, East Asia & Pacific Region

For the Asian Infrastructure Investment Bank:

AIIB Headquarters, Tower A, Asia Financial Center,

No. 1 Tianchen East Road, Chaoyang District, Beijing, China 100101

Attention: Director General, Operational Partnership Department

Signed in Washington DC on April 20, 2024, in duplicate, all texts being equally authentic.

12. Miscellaneous

- (a) This MOU supersedes and replaces the Memorandum of Understanding between the Participants dated April 23, 2017.
- (b) This MOU is intended to set out a summary of the understanding between the Participants. Nothing expressed or implied herein (whether by operation of law or otherwise) is intended to legally commit or oblige any Participant to perform or observe any of the provisions herein, and this MOU is not intended to create any binding and enforceable obligations nor any rights to the Participants.

For the AIIB:


Signature

Jin Liguang
President

April 20, 2024
Date

For the World Bank:


Signature

Ajay Banga
President

April 20, 2024
Date

ANNEX

AREAS FOR COLLABORATION

The Participants have identified the following areas as focus areas for collaboration among others. They include specific opportunities to jointly co-finance public and private investments. They are expected to increase the scale of the Participants' joint impact while offering models for replicability and scale-up through demonstration effects and mobilizing further sources of financing. Areas for joint interventions include climate change, social infrastructure focused on health, biodiversity and others to be agreed by Participants. The objective is to enable economic growth, job creation, and better living standards for people. These areas should be aligned with the World Bank's relevant Global Challenge Programs and its Scorecard and support the vision of a world free of poverty on a livable planet, as well as AIIB's Financing Infrastructure for Tomorrow Strategy and its business plans.

1. Climate Change – mitigation to de-link emissions growth from economic development and to support adaptation to impacts of climate change.

Objective: To pool financing including private capital mobilization for select investments with impact on: (i) carbon emissions mitigation to alter the scale of emissions in a country's development trajectory and/or (ii) adaptation to improve resilience to potential climate impacts.

- ***Enabling the energy transition*** by upgrading the electricity grid to increase investment in economically viable and affordable renewable energy, and by incentivizing efficient use of energy. Electricity generation, transmission, and distribution all present opportunities. Grid investments, including regional/cross-border links, increase the grid's capacity to handle intermittent renewable energy. Co-financing opportunities include hydropower and grid extension investments in Indonesia, transmission investments in Viet Nam, distribution investments in Türkiye, and significant regional hydropower investment in Tajikistan.
- ***Climate-smart water*** interventions support adaptation through enhanced water supply security while also increasing water access. Improvements in quality of water provision have knock-on benefits for health outcomes as well as agricultural efficiencies and food provision. Co-financing opportunities in water security include investments in the Philippines, Pakistan and Jordan. Water supply relating to food systems include investments in Egypt as well as water use techniques for low methane rice investments in Viet Nam, Lao PDR and Indonesia.
- ***Building greener transport modes*** particularly in densely populated areas and/or regional transit corridors will improve efficiency and safety in the movement of people and goods while locking in lower emissions trajectories. Interventions in this area support improvements in roads and transportation systems, incentives to switch fuel source for vehicles, and enhanced options for public transit. Co-financing opportunities include strategic connectivity investments in Kazakhstan, resilient roads investments in Indonesia, and airport investments in Türkiye.

2. Social infrastructure with a focus on **improving health outcomes while also preparing for new challenges such as pandemics and aging populations.**

Objective: To pool our financing including private capital mobilization for select investments in health outcomes at the country, regional, or global scale. There are co-financing opportunities for strengthening health systems in Indonesia and Bangladesh.

- ***Strengthening health systems are essential to reduce communicable and noncommunicable diseases*** by ensuring affordable and high-quality health care including primary health care, preventive care, maternal and child health and nutrition, and care for aging populations.
- Recent experience with SARS and COVID-19 have brought to the forefront the ***importance of pandemic preparedness and surveillance***. Collaboration on prevention, preparedness, and response could lead to significant gains in terms of crises prevented or minimizing impacts of those crises.

3. **Biodiversity and nature – protecting and enhancing our collective future.**

Objective: To pool our financing including private capital mobilization for investments in infrastructure and other productive sectors with a significant positive impact on nature and biodiversity and considering co-benefits on livelihoods, climate adaptation and disaster management, and climate mitigation. Co-financing opportunities include scaling up Indonesia's mangroves for coastal resilience, syndicating commercial bond issuance for green and blue investments in Viet Nam, and sustainable river management in Bangladesh.

- ***Biodiversity and nature conservation are important for providing infrastructure functions.*** Shifting markets and value chains toward models that conserve and restore natural capital, and use it sustainably, provide valuable ecosystem services, create long-term growth and greener and higher quality jobs. Strategic investment in protected areas can create new revenue streams and opportunities for income diversification which support local economies.
- ***Natural habitat protection can act as a climate adaptation and disaster risk mitigation measure,*** for instance where mangroves, wetlands and coral reefs act as infrastructure for flood prevention and coastal protection, similar to grey infrastructure. Collaborating will be important to ensuring protection of natural habitats for flora and fauna, reducing extinction of endangered species, and providing natural defense systems at reduced cost.
- ***Nature as infrastructure can also act as natural carbon sinks while protecting biodiversity.*** The global capacity for natural solutions to climate mitigation is shrinking (for instance, through the high rate of deforestation). Collaboration in this area will be strategic for ensuring that countries can make a significant global contribution to climate change mitigation and biodiversity conservation through local interventions.