



Infrastructure Financing in Asia

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There is a huge infrastructure and climate financing need in Asia.

- Asia and the Pacific needs to invest approximately USD 26 trillion in infrastructure between 2016 and 2030, which translates to USD 1.7 trillion annually.¹
- Asia is a leading contributor to greenhouse gas emissions, yet faces disproportionate risks from climate change.
- The costs of mitigating climate change in Asia are estimated at USD 200 billion annually.¹
- Mitigating climate change should include greening the transport sector.
 - Transport sector: 20% of total GHG emissions.
 - Maritime shipping: 11% of transport emissions.

How can ports help in sustainable development?

- Ports are “universally aligned” with the Paris Agreement’s mitigation goals.
- The role of ports in sustainable development:
 - Ports can decarbonize maritime transport – role as energy hubs, facilitator of green fuel adoption.
 - Ports are nodes of innovation – digitalization of port operations.
 - Impacts of port decarbonization are both ‘local’ and ‘global’.
- But ports also need climate adaptation.

How can multilateral development banks support sustainable port development?

- Ports and multilateral development banks (MDBs) are agents of globalization and essential for transitioning to a low-carbon and climate-resilient future.
- Asian Infrastructure Investment Bank (AIIB)

Multilateral Development Bank (MDB)

established by international treaty in 2016, headquartered in Beijing.

Main mission to address **infrastructure funding gap**.

Core principles: financial sustainability and sound banking, strong multilateral governance and oversight, high project standards.

110 approved members
(**42** in Asia)

Vision: a prosperous Asia based on sustainable economic development and regional cooperation.

Mission: Financing Infrastructure for Tomorrow.

AIIB unlocks new capital, new technologies and new ways to address climate change, and to connect Asia and the world.

AIIB's Thematic Priorities



GREEN INFRASTRUCTURE

Promoting green infrastructure and supporting members to meet their local and national environmental and development goals, especially their commitments under the Paris Agreement and the United Nations' Sustainable Development Goals.

Climate financing

Target by 2025: 50% of actual financing approvals.



CONNECTIVITY & REGIONAL COOPERATION

Facilitating better transport, digital, energy and water connectivity within Asia, as well as between Asia and the rest of the world. AIIB supports projects that facilitate trade, cross-border investment, tourism, financial and digital integration across Asian economies and beyond.

Cross-border connectivity

Target by 2030: 25 to 30% of actual financing approvals.



TECHNOLOGY-ENABLED INFRASTRUCTURE

Supporting projects where the application of technology delivers better value, quality, productivity, efficiency, resilience, sustainability inclusion, transparency and better governance along the project cycle.



PRIVATE CAPITAL MOBILIZATION

Supporting projects that directly or indirectly mobilize private financing into sectors within AIIB's mandate. This includes developing infrastructure as an asset class in Asia.

Private sector projects

Target by 2030: 50% of actual financing approvals.

AIIB's Investment Operations

Approved

Number of Projects

288

Financing Amount

USD 55.3 billion

Number of Members
with Operations

37

Transport

Number of Projects

54

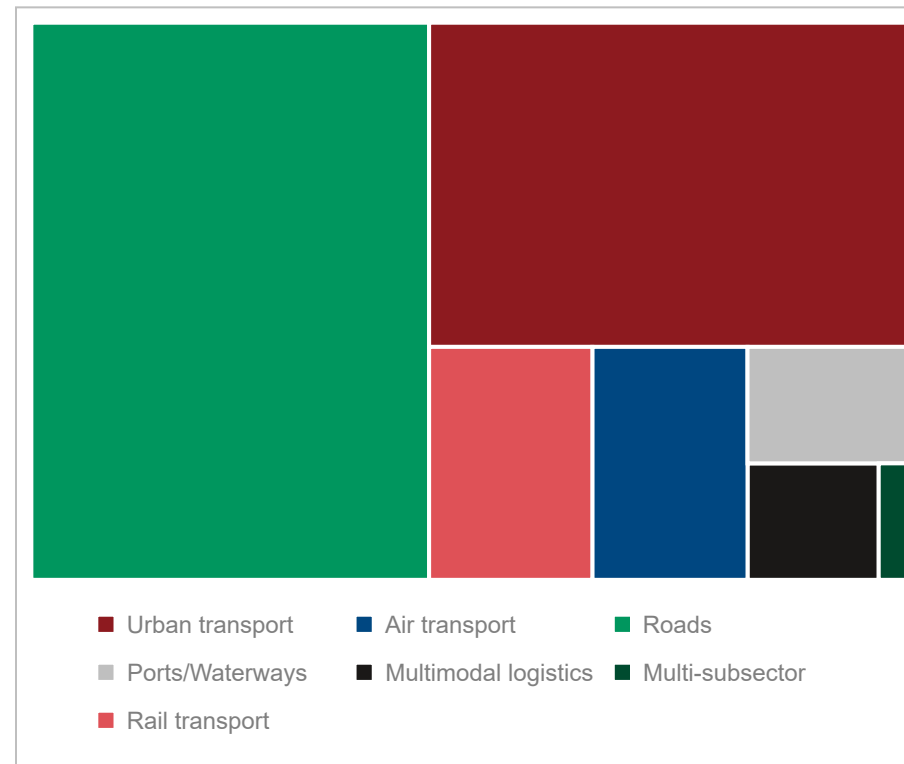
Financing Amount

USD 10.7 billion

Number of Members
with Operations

17

Sub-sector wise distribution in transport



Urban transport includes 8 rail suburban/metro projects, 1 BRT Project, and 2 green transport projects.

Track Record: Port Sector



Oman

Duqm Port Commercial Terminal and Operational Zone Development

USD265 million
Sovereign Loan

2016



Egypt

Damietta Port – Container Terminal II Project

USD100 million
Nonsovereign Loan

2023



China

China-ASEAN Sea-Rail Multimodal Logistics Project

USD 300 million
Sovereign Loan

Under preparation

Duqm Port Commercial Terminal and Operational Zone Development

Objective	Help Duqm Port capture its full economic potential through improved transport efficiency, strengthened logistics services, facilitated mineral exports, and reduced supply chain delivery time and costs for the wide spectrum of industries in the new Duqm Special Economic Zone and its broader port hinterland.	
Description	<p>(i) Construction of Port Related Infrastructure, including (a) internal roads connecting all the terminal buildings and parking areas; container and cargo stacking yard, parking areas, and a helipad; (b) potable water network to serve the commercial berth buildings and ships; a fire fighting network; storm water and sewerage network; installation of electrical, telecommunications, and street and yard lighting cables; and construction of fencing and gates. (c) terminal building and operational zone; (d) installation of a crane beam supported on piles, and its tracks.</p> <p>(ii) Construction Supervision.</p> <p>(iii) Project Management.</p>	
Financing plan	<p>Total project cost:</p> <p><u>Financing Plan:</u></p> <p>AIIB loan:</p> <p>OPAZ:</p>	<p>USD 353.33 million</p> <p>USD 265 million</p> <p>USD 88.33 million</p>
Project Implementing Agency	Public Authority for Special Economic Zones & Free Zones (OPAZ) of the Sultanate of Oman	
Implementation Period	<p>Start Date: January 1, 2017</p> <p>End Date: March 31, 2022</p>	

Damietta Port – Container Terminal II Project

Objective	To expand the transshipment and gateway container-handling capacity of the Damietta Port via a concession agreement for the superstructure construction and equipment of the port second container terminal (CT II).						
Description	The Project comprises the design, construction, and operation of CT II's superstructure, consisting of equipment (i.e., quay cranes, rubber-tyred gantry cranes, trucks) and facilities (i.e., pavement, electricity) at Damietta Port located in Egypt. Separate from, but related to the Project, the Damietta Port Authority (DPA) is responsible for the provision and financing of the infrastructure required for the terminal (including land excavation and foundation works, construction and maintenance of quay walls, dredging of the access channel and basin) and all utilities, access roads and rail tracks, up to the boundaries of CT II.						
Financing plan	<table border="0"> <tr> <td>Total project cost:</td> <td>USD 665 million</td> </tr> <tr> <td><u>Financing Plan:</u></td> <td></td> </tr> <tr> <td>AiIB loan:</td> <td>USD 100 million</td> </tr> </table>	Total project cost:	USD 665 million	<u>Financing Plan:</u>		AiIB loan:	USD 100 million
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Project Implementing Agency	Damietta Alliance for Container Terminals S.A.E.						

China-ASEAN Sea-Rail Multimodal Logistics Project

Objective	To promote regional and cross-border trade and green connectivity in Qinzhou, Guangxi, China.								
Description	<p>The Project will develop a green, resilient, and smart logistics park and related facilities in Qinzhou Municipality, Guangxi Zhuang Autonomous Region, China. It aims to establish a pivotal logistics hub strategically designed to serve two major cross-border corridors: the New Western Land-Sea Corridor and the New Eurasian Land Bridge.</p> <p>This Project comprises four components: 1) logistics and service facilities within the logistics park; 2) a dedicated rail line that connects the logistics park with the existing freight rail Mahuang Marshaling Yard, along with a cargo unloading and uploading yard; 3) supporting infrastructure for the logistics park, such as roads and utilities; and 4) capacity building activities including training and research.</p>								
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AIIB loan:	USD 300 million								
Counterpart Funding:	USD 92.49 million								
Project Implementing Agency	Qinzhou Huangma Assets Management Group Co., Ltd.								

Challenges and Opportunities for a Successful Port Project

Challenges	Opportunities – how AIIB can support
High capital costs, limited access to financing	<ul style="list-style-type: none"> • MDB financing (long tenor). • MDB can crowd in the private sector through viability gap financing in PPPs, transaction advisory (risk allocation), etc.
Environmental and social concerns	<ul style="list-style-type: none"> • Robust environmental and social framework -- benchmarked against equivalent policies and standards of other MDBs; and • Gender and disability inclusiveness, climate change, biodiversity are part of E&S assessment process.
Lack of quality project preparation	<ul style="list-style-type: none"> • Technical assistance to support robust feasibility studies, detailed designs, project delivery strategies, procurement, E&S assessments.
Complex regulatory framework hindering port decarbonization	<ul style="list-style-type: none"> • Policy and regulatory support through climate policy-based financing (CPBF).



THANK YOU

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