

## Written Statement by the Netherlands

- First and foremost we would like to thank the authorities of Luxemburg for hosting this fourth Annual Meeting of the AIIB and the first to be held outside of Asia. The portfolio after three and a half years demonstrates that the Bank is agile, financially sound and delivering impact. We therefore commend the overall performance of the Bank so far. Being lean whilst at the same time adhering to best practises and high international standards regarding environmental and social (E&S) criteria and governance is not mutually exclusive. This has been exemplified by the Bank in its first operational years. The portfolio has grown both in size and number of projects, in the form of co-financing with other International Financial Institutions (IFIs) with recent pick-up in stand-alone operations.
- Besides operational growth the AIIB has also focused on its governance structures and outreach to stakeholders. In view of this, the Bank is preparing its Oversight Mechanism, thereby further shaping critical functions like complaints-handling mechanism. We call on the Bank to continue along the path of strengthening its governance design based on best international standards and practises and principles of transparency and accountability. As with all IFIs, the desired governance model works efficiently and effectively once it is tested and evaluated. Adaptability and responsiveness to changes are key to continue enhancing the governance structure. The upcoming first review of the Environment and Social Framework (ESF) provides an opportunity to further strengthen check and balances.
- The AIIB is reaching a crossroads after its start-up phase, and coming years will further shape its modus operandi. Strengthening the comparative advantage of the Bank will be further crystallised in upcoming discussions around corporate strategy. To kick-off this discussion we would like to underscore the raison d'être of the Bank, which is to foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia, as also reflected in the Articles of Agreement. We will continue to encourage the Bank to deliver on this mandate through addressing infrastructure gaps in Asia, in particular in less developed members in the region, and mobilising private investments to foster economic development.
- Related to the theme of this Annual Meeting "*Cooperation and Connectivity*", one cannot ignore the importance of leveraging on the benefits of better connectivity within and between countries. In this regard, we encourage the Bank to cooperate closely with relevant actors like governments, private sector and MDBs in fostering quality infrastructure compliant with highest international IFI standards and taking into account debt sustainability.
- We welcome the efforts of the Bank to embrace technology and innovation as an institution established in the 21<sup>st</sup> century. The Bank is well suited to address clients' needs by means of innovative approaches such as providing new financing instruments. In this respect we welcome the efforts to expand local currency lending and would encourage the AIIB to scale-up climate mitigation and adaption investments in its overall portfolio in accordance with the Bank's "green" motto.
- Delivering on this challenging mandate would not be possible without one of the most important -if not the most important- asset of the Bank, namely its staff. We commend the ambition of the Bank to build towards a modern, top-of-the art and inclusive culture that attracts high quality staff from all over the world.
- By adhering to its mandate and building on its business model, the AIIB can specialise in meeting the large infrastructure needs of its beneficiaries while continuing to be efficient,

transparent, well-governed, financially sound and operational based on highest international standards.