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# REPORT

## THE ASIAN INFRASTRUCTURE INVESTMENT BANK

AN INSTRUMENT OF GEOECONOMIC INFLUENCE

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MAY 2021



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INSTITUT D'ÉTUDES DE GÉOPOLITIQUE APPLIQUÉE

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# LEGAL NOTICE

*The Asian infrastructure investment bank, an instrument of geoeconomic influence*

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ISSN : 2739-3283

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How to cite this publication :

Florence MAGALON, *The Asian infrastructure investment bank, an instrument of geoeconomic influence*, Institut d'Études de Géopolitique Appliquée, Paris, Mai 2021.

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## **Abstract**

This article is a synthesis of a study exploring the emergence and operations of the Asian Infrastructure Investment Bank (AIIB) through the prism of geoeconomics, with an empirical concentration on Central Asia and the Middle East. It uses a critical angle on International Relations theory and Geography studies to demonstrate that the AIIB, contrary to its initial depictions, is not a competitor to other Multilateral Development Banks, but an instrument corresponding to the Chinese authorities' conception of geoeconomic influence. Yet, this essay does not claim that the AIIB is an institution controlled by the Chinese government. It rather establishes that the AIIB vision and operations correspond to a set of assumptions that have so far guided China's use of its economic strength, namely investing in infrastructure for development and building partnerships, paving the way for further capital expansion.

## **List of abbreviations**

ADB: Asian Development Bank

AIIB: Asian Infrastructure Investment Bank

CPEC: China-Pakistan Economic Corridor

EBRD: European Bank for Reconstruction and Development

EIB: European Investment Bank

IBRD: International Bank for Reconstruction and Development

MDB: Multilateral Development Bank

SGC: Southern Gas Corridor

TANAP: Trans Anatolian Natural Gas Pipeline

WBG: World Bank Group

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## **Introduction**

The Asian Infrastructure Investment Bank (AIIB) is the most recent Multilateral Development Bank (MDB), and one that already aroused many debates since the proposal of its creation in 2013 emanated from the Chinese Government. The parallel with the creation of the World Bank by the United States (US) was inevitable, mirroring concerns about China taking over global leadership through the implementation of a classic multilateral institution. The most prominent fear was the creation of another investment arm devoted to the expansion of foreign investments by Chinese State-owned enterprises.

Prior to the creation of the AIIB, the World Bank Group (WBG) and the Asian Development Bank (ADB) were largest MDBs operating in Asia. Even the presence of these large multilateral lenders, regularly criticized for the influence of their major lenders<sup>1</sup>, has not fulfilled Asia's needs for infrastructures estimated by the ADB to amount to a total of USD 26 trillion for 2016-2020, more than triple the estimation for the previous decade<sup>2</sup>. One explanation for this gap is a change in MDBs' investment strategies: the primary purpose for the creation of MDBs post World War II was to help with reconstruction and invest directly in infrastructure, but policies shifted in the wake of the neo-liberal wave of the 1980s, directing the lending towards strategies fostering an investment friendly environment<sup>3</sup>. This market approach to development has been a source of animosity toward those institutions.

Grounded in these governance and operational dissatisfactions, the AIIB is anchored in China's expertise of infrastructure development, its economic power and its rising diplomatic influence. Proposed by Chinese President Xi Jinping, it began its operations in 2016 and has now 103 members. Following the proposal announcement, concerns arose over China's influence on the decisional processes and its potential undermining of social and environmental standards, which emanated mainly from the US administration, which perceived the institution as a challenge to the WBG's work in Asia<sup>4</sup>. However, US pressures over Western countries to remain outside of the AIIB have not proved successful, especially as the UK joined the bank as a founding member in December 2015.

Departing from early researches that could only explore the intentions of the bank upstream, this article reflects on the ventures undertaken by the AIIB in its first four years of

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<sup>1</sup> Both institutions have adopted a vote per share system, which has been a source of concern for other lending countries and receiving entities, as the US for the WBG and the US and Japan in the ADB detain most voting power. This system determines voting powers depending on the number of shares detained by a country, as opposed to a vote per member system. Historically larger economies tend to be over-represented, while more modest countries cannot get access to shares. At the IBRD, the US have the highest voting power (15,76%), followed by Japan (7,66%) and China (4,72%) (source: <http://pubdocs.worldbank.org/en/795101541106471736/IBRDCountryVotingTable.pdf>. Accessed 20-08-2020). At the ADB, the US and Japan are at similar levels (12,8%) followed by China (5,44%), India (5,35%) (source : <https://data.adb.org/sites/default/files/ar2018-oi-appendix1.pdf>. Accessed 20-08-2020)

<sup>2</sup> Asian Development Bank, 2017. Meeting Asia's infrastructure needs. Manila: Asian Development Bank.

<sup>3</sup> Weiss, M., 2018. ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB) \*. Current Politics and Economics of South, Southeastern, and Central Asia, 27(1/2), pp.1–29.

<sup>4</sup> *Ibid.*



operation to insist on the geographic and territorial aspects of its influence. It hopes to contribute to a better understanding of the current dynamics building the geographies of globalisation, and particularly China's kinetic effect. This study intends to demonstrate that, contrary to the very first depictions of the bank, the AIIB is not a competitor to other MDBs, but an instrument corresponding to the Chinese authorities' conception of geoeconomic influence. Yet, this essay does not claim that the AIIB is an institution controlled by the Chinese government. It rather establishes that the AIIB vision and operations correspond to a set of assumptions that have so far guided China's use of its economic strength, namely infrastructure building for development and investing in partnerships over alliances, thus shaping an environment that facilitates further capital expansion. The AIIB is a multilateral institution by all standards and, as such, carries the imprint of its largest donor.

The following section frames the research within geoeconomic debates. The subsequent analysis focuses on projects undertaken by the AIIB in Central Asia and the Middle-East and will reflect on the institution's geoeconomic influence through cooperation to further install a networked space in the regions and facilitate capital expansion. The reasoning finally builds on the case study of the Trans Anatolian Natural Gas Pipeline project (TANAP) to illustrate how mechanisms used by the institution appear at the project level.

## **CONCEPTUAL FRAMEWORK**

The literature reflecting on the AIIB commented mostly on its frameworks and standards, its impact on the world's global governance, and on the Chinese authorities' motivations behind its establishment<sup>5</sup>. Two streams of arguments emerge within multilateralism studies. The contentious perspective argues that China's persistent institution-building will eventually overtake the current system and undermine its domination by Washington, precipitating the waning of the US influence in Asia and beyond. The functional approach disputes this view and claims that the AIIB will participate in a mutual reinforcement of the institutions, while also aligning with advanced economies' interests in sustaining the growth and connectivity of the Asian continent<sup>6</sup>.

This article will consider the AIIB within another body of literature related to geoeconomics and concentrate on the activities of the multilateral financial institution.

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<sup>5</sup> Yang, H. & Keukeleire, S., 2019. Rhetorical Legitimation of the Asian Infrastructure Investment Bank: Evidence from Chinese State Media. *Journal of Contemporary China*, 28(120), pp. 932–947.

<sup>6</sup> Yeo, Y., 2018. China's policy of "going out" 2.0: Ideas, interests, and the rise of the Asian Infrastructure Investment Bank (AIIB). *The Korean Journal of International Studies*, 16(3), pp. 367–387.

## **Geoeconomics: contrasted perspectives**

Geoeconomics theories have infused the classical and critical approaches of several bodies of literature, within International relations (IR) and geopolitics, and we will very briefly contrast them prior to turning on the understanding of China's approach to geoeconomics.

### ***Geoeconomics as a state instrument for power***

In IR theory, from a realist perspective, geoeconomics was used to qualify the renewed importance of economic means and business actors in shaping the world.

In Edward Luttwak's seminal essay, geoeconomics is understood as an "admixture of the logic of conflict with the methods of commerce"<sup>7</sup>. Here, geoeconomic means are displacing conflicts and tensions to the economic landscape, by comparison to traditional instruments of warfare. It counters another stream of geoeconomic definitions advanced by Kenichi Ohmae<sup>8</sup> or Thomas Friedman<sup>9</sup> positing that the end of the Cold War and the liberal capitalist standard produced a borderless world ruled by transnational economic actors, in which the state and the economic domain are decoupled. Narrower definitions of geoeconomics as a state instrument confine it to the use of economic sanctions or incentives to favour national industries<sup>10</sup>, while other scholars refer to *Economic Statecraft* and encompass a larger set of practices influencing foreign strategies grounded in monetary, trade and economic policies<sup>11</sup>.

Development assistance is considered a geoeconomic lever, as target beneficiaries and priorities may reflect geopolitical aims<sup>12</sup>. In parallel, emerging, non-Western countries also tend to use geoeconomic strategies in lieu of military power to counter the US domination<sup>13</sup>. The New Development Bank (NDB), as a new instrument for development assistance is an example of the contestation of geoeconomic influence<sup>14</sup>, like the AIIB. These outlooks mostly envision geoeconomics within a state's strategy and the pursuit of national interests<sup>15</sup>. Critical studies, however, have a more systemic approach.

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<sup>7</sup> Luttwak, E., 1990. FROM GEOPOLITICS TO GEO-ECONOMICS. NATIONAL INTEREST, (20), pp.17–24.

<sup>8</sup> Ohmae, K., 1990. The borderless world. McKinsey Quarterly, (3), pp. 3-19.

<sup>9</sup> Friedman, T. L., 2006. The world is flat [updated and expanded]: A brief history of the twenty-first century. Macmillan.

<sup>10</sup> Lorot, P., 2001. La géoéconomie, nouvelle grammaire des rivalités internationales. L'information géographique, 65(1), pp. 43-52.

<sup>11</sup> Baldwin, D. A., 1985. Economic statecraft. Princeton University Press.

<sup>12</sup> Moïsio, S., 2019. Re-thinking geoeconomics: Towards a political geography of economic geographies. Geography Compass, 13(10), e12466.

<sup>13</sup> Mattlin, M., & Wigell, M., 2016. Geoeconomics in the context of restive regional powers. Asia Europe Journal, 14(2), pp.125-134.

<sup>14</sup> Blackwill, R. D., & Harris, J. M., 2016. War by other means. Harvard University Press.

<sup>15</sup> Vihma, A., 2018. Geoeconomic Analysis and the Limits of Critical Geopolitics: A New Engagement with Edward Luttwak. Geopolitics, 23(1), pp. 1–21.

### ***Geoeconomics as a territorial outcome of capital expansion***

According to Matthew Sparke the nation-state approach misses the wider effect of the global liberalisation and its territorial impacts. He argues that:

“geoeconomics can be understood not just as a description of a certain style of economically-oriented geopolitics, but also as a form of spatial strategy, which [...] emerges more as a systemic net effect, an unintentional series of outcomes of localised governance in economically globalised times”<sup>16</sup>.

Geoeconomics also reverses the logic of early geopolitics: instead of expanding territory to acquire more resources, the market logic grows capital, which in turns expands and shapes territories<sup>17</sup>. Boundaries are still relevant, but they may not necessarily follow national delineations. In addition, the neo-liberal capitalist assumption underpinning geoeconomics results in a space forged through the stretch between the need for capital to expand and to get fixed through accumulation<sup>18</sup>, as posited in David Harvey’s theory of the *spatial fix*<sup>19</sup>. In a simplified manner, while Marx analyses capitalist over-accumulation through time, Harvey projects it spatially. Geoeconomics is thus understood as the production of territory through capitalist expansion.

Transferred at the national level, this tension drives states to implement spatial planning strategies of networks and clusters to seek a competitive position in the globalised economy<sup>20</sup>. The creation of zones where primitive capital (goods, labour) and virtual capital (finance) accumulate, although possibly incentivized by governments, also goes beyond state planning and is linked to the internationalisation of supply chains and the globalisation of financial markets, which both play a prominent role in determining the corridors connecting zones<sup>21</sup>.

Finally, geoeconomics is also de-constructed as a set of images, meanings and practices. Mona Domosh examines geoeconomics through the discursive lens to reveal how “geoeconomic imagination”<sup>22</sup> prevails in crafting a world in which economic expansion, and particularly its US-led diffusion, seems to be a natural and beneficial process. After the collapse of the Soviet Union, normative discourses on capitalism and liberal democracy participated in defining and monitoring an ‘appropriate’ way to transition East-European countries toward market economy,

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<sup>16</sup> Sparke, M., 1998. From geopolitics to geoeconomics: Transnational state effects in the borderlands. *Geopolitics*, 3(2), p. 70.

<sup>17</sup> Cowen, D., & Smith, N., 2009. After geopolitics? From the geopolitical social to geoeconomics. *Antipode*, 41(1), pp. 22-48.

<sup>18</sup> Sparke, M., 2018a. Geoeconomics, Globalisation and the Limits of Economic Strategy in *Statecraft: A Response to Vihma*. *Geopolitics*, 23(1), pp.30–37.

<sup>19</sup> Harvey, D., 2001. Globalization and the “spatial fix”. *Geographische revue*, 2, pp. 23-30.

<sup>20</sup> Moisio, S., & Paasi, A., 2013. From geopolitical to geoeconomic? The changing political rationalities of state space. *Geopolitics*, 18(2), pp. 267-283.

<sup>21</sup> Samaddar, R., 2015. Zones, corridors, and postcolonial capitalism. *Postcolonial Studies*, 18(2), pp. 208-221.

<sup>22</sup> Domosh, M., 2013. Geoeconomic Imaginations and Economic Geography in the Early Twentieth Century, *Annals of the Association of American Geographers*, 103(4), p. 945.

involving the creation of the European Bank for Reconstruction and Development (EBRD) as a dedicated institution<sup>23</sup>.

Nevertheless, China's use of its economic weight and pivotal role in global trade blurs the line so far depicted as quite distinct between the IR and geographic perspectives.

### *China's tailoring of geoeconomics*

Beijing's economic strategy echoes and sustains its foreign policy position of building partnerships rather than alliances in the Asian region<sup>24</sup>. China's wealth, own capital accumulation and political control over its economy have set ground for the country to use international economic instruments for protecting its interests<sup>25</sup>. In determining its geoeconomic influence, *strategic autonomy* – the combination of access to resources, a strong internal market and labour force – appears as a key factor<sup>26</sup>. Thus, China instruments geoeconomics through partnerships and incentive policies to shape economic flows in its favour<sup>27</sup>. Specifically after the 2008 crisis, the triple property-debt, infrastructure and financial bubbles faced by China forced authorities to shift from a GDP-oriented strategy to a spatial strategy of enhanced connectivity and regional integration fuelled by geoeconomic hopes<sup>28</sup>. However, Chinese foreign economic policies are considered highly experimental as they try to transform its superfluous economic growth into strategic influence in a step-by-step approach, as opposed to constituting a fully-fledged economic statecraft. Through liquidity provisions, the internationalisation of its currency and the creation of investment instruments, including the AIIB, China is building partnerships and economic ties while ambitioning diplomatic outcomes<sup>29</sup>.

Prior to creating a multilateral institution, China demonstrated how its economic influence in African countries helped to support a political and diplomatic agenda, crowned with the establishment of the China - Africa Cooperation Forum<sup>30</sup>. The Belt and Road Initiative (BRI), a massive deployment of land and sea routes from China to the European Continent, is another example of the articulation of the Chinese geoeconomic power through

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<sup>23</sup> Smith, A., 2002. Imagining geographies of the 'new Europe': geo-economic power and the new European architecture of integration. *Political Geography*, 21(5), pp. 647-670.

<sup>24</sup> Ekman, A., 2018. *La Chine dans le monde* [Kobo ebook]. Cnrs. p. 137

<sup>25</sup> Grosse, T. G., 2014. Geoeconomic relations between the EU and China: the lessons from the EU weapon embargo and from Galileo. *Geopolitics*, 19(1), pp. 40-65.

<sup>26</sup> Hsiung, J. C., 2009. The age of geoeconomics, China's global role, and prospects of cross-strait integration. *Journal of Chinese Political Science*, 14(2), pp. 113-133.

<sup>27</sup> Holslag, J., 2016. Geoeconomics in a globalized world: the case of China's export policy. *Asia Europe Journal*, 14(2), pp. 173-184.

<sup>28</sup> Sum, N. L., 2019. The intertwined geopolitics and geoeconomics of hopes/fears: China's triple economic bubbles and the 'One Belt One Road' imaginary. *Territory, Politics, Governance*, 7(4), pp.528-552.

<sup>29</sup> Huotari, M., & Heep, S., 2016. Learning geoeconomics: China's experimental financial and monetary initiatives. *Asia Europe Journal*, 14(2), pp. 153-171.

<sup>30</sup> Mawdsley, E., 2007. China and Africa: Emerging challenges to the geographies of power. *Geography Compass*, 1(3), pp. 405-421.

‘spatialisation’<sup>31</sup>. The BRI demonstrates how China does not only rely on its intrinsic power alone to affirm its leadership, but is fully aware of the necessity to build a network of adjuvant states, much like the US did post WWII through the Marshall Plan<sup>32</sup>.

Therefore, China bases its international and regional influence on some of the industrialised West standards, tailored to its own approach: not an event-driven foreign policy, but rather a production of space<sup>33</sup>. Building on Beeson’s expression of “*Geoeconomics with Chinese characteristics*”<sup>34</sup>, the remaining of the research will demonstrate that the AIIB, whilst being a multilateral institution, derives from and displays a similar ideology of crafting space.

## SCOPE OF THE RESEARCH

This research is circumscribed to countries in the Middle East and Central Asia with the intention of sampling a large enough number of projects to outline patterns while keeping the analysis at a manageable size. Broadly defined, these countries share a certain commonality, especially when contrasted with more South-Eastern and Eastern parts of Asia. On the economic side, a primary concern for this research, most are exporters of hydrocarbons. On the historic side, they share an experience of Islamic expansion followed by imperialist domination and intervention<sup>35</sup>. From a spatial perspective, both regions are becoming a nexus, at the heart of the *Road* part of the Chinese BRI, and of several transnational development initiatives. In addition, China has recently significantly increased its investments and diplomatic connections in those areas<sup>36</sup>. The analysis concludes with a concentration on the TANAP to understand the motivations, stakes and early outcomes, while providing an illustration of the wider paradigm in which the AIIB operates. The TANAP is a controversial and complex project, but that complexity provides a solid ground for highlighting funding partner’s interplays, countries relationships and territorial footprint.

Both the timeframe and sectors selection purposefully eliminated all COVID-19 related projects, in order to avoid building conclusions on the extraordinary measures associated with

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<sup>31</sup> Belt & Road News, 2019. Financing and Funding for the Belt & Road Initiative. Available at [beltandroad.news/2019/05/17/financing-and-funding-for-the-belt-road-initiative/](http://beltandroad.news/2019/05/17/financing-and-funding-for-the-belt-road-initiative/) [Accessed 10-08-2020].

<sup>32</sup> Beeson, M., 2018. Geoeconomics with Chinese characteristics: The BRI and China’s evolving grand strategy. *Economic and Political Studies*, 6(3), pp. 240-256.

<sup>33</sup> Hilpert, H. G., & Wacker, G., 2015. Geoeconomics meets geopolitics: China's new economic and foreign policy initiatives. Berlin: Stiftung Wissenschaft und Politik -SWP- Deutsches Institut für Internationale Politik und Sicherheit.

<sup>34</sup> See note 32.

<sup>35</sup> Cummings, S. (Ed.), 2011. *Sovereignty After Empire: Comparing the Middle East and Central Asia*. Edinburgh University Press. Pp. 4-5

<sup>36</sup> Among others: Bianchi, R., 2013. China–Middle East Relations in Light of Obama’s Pivot to the Pacific. *China Report*, 49(1), pp. 103-118. | Chen, X., & Fazilov, F., 2018. Re-centering central asia: china’s “New great game” in the old eurasian heartland. *Palgrave Communications*, 4(1), pp. 1-12. | Kemp, G., 2012. *The East Moves West: India, China, and Asia's Growing Presence in the Middle East*. Brookings Institution Press. | Swanström, N., 2005. China and Central Asia: a new great game or traditional vassal relations? *Journal of contemporary China*, 14(45), pp. 569-584.

the pandemic without the necessary hindsight. Data collection and analysis are detailed in Appendix 1.

## **THE AIIB'S INFLUENCE IN CENTRAL ASIA AND THE MIDDLE EAST**

### **Geoeconomic influence through cooperation**

The first preoccupation of the AIIB has been to counter its depiction as another financial arm for China's domination through a discourse of cooperation and the implementation of convenient practices for partnership.

#### *Cooperation above competition*

As a new multilateral actor initiated by China, the AIIB was initially perceived as a direct competitor to other MDBs in the region, much abreast with Luttwak's conflictual approach to geoeconomics<sup>37</sup>. Following its inauguration in 2016, the AIIB was depicted on the international stage as a "diplomatic coup"<sup>38</sup>. However, both the bank's leadership and Chinese authorities have fought this perception and emphasized an image of a partnering and innovative institution. Chinese president Xi Jinping stated in the AIIB's inaugural discourse that:

"The institution and existing multilateral development banks may complement each other for mutual strength. [...] Mutual learning and sharing helps [*sic*] the AIIB function according to high standards"<sup>39</sup>.

AIIB's president Jin Liqun denies the direct competition with the WBG arguing that the AIIB cannot compare in terms of size, resources and experience<sup>40</sup>. Antagonism with the US is dismissed as well, the bank leaving "a door open"<sup>41</sup> while indicating that cooperation does not depend on membership. Similarly, objections regarding the interdependence between the AIIB and the BRI are rejected. While recognising similar objectives in promoting infrastructure development, Jin Liqun highlights the diverging functions and operating principles of the BRI and the AIIB<sup>42</sup>.

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<sup>37</sup> Luttwak, E., 1990. FROM GEOPOLITICS TO GEO-ECONOMICS. NATIONAL INTEREST, (20), pp. 17–24

<sup>38</sup> Reuters, 2016. China launches new AIIB development bank as power balance shifts. Available at <https://www.reuters.com/article/us-asia-aiib-investment/china-launches-new-aiib-development-bank-as-power-balance-shifts-idUSKCN0UU03Y> [Accessed 01-07-2020].

<sup>39</sup> Xinhua, 2016. Full Text of Chinese President Xi Jinping's address at AIIB inauguration ceremony. Available at [https://www.chinadaily.com.cn/business/2016-01/16/content\\_23116718.htm](https://www.chinadaily.com.cn/business/2016-01/16/content_23116718.htm) [Accessed 01-07-2020].

<sup>40</sup> Lee Kuan Yew School of Public Policy, 2019. Public Lecture by Mr Jin Liqun, President of the Asian Infrastructure Investment Bank (AIIB). Available at <https://www.youtube.com/watch?v=ObDJyc1P1eI> [Accessed 01-07-2020].

<sup>41</sup> CGTN, 2019. *Dialogue: Interview with AIIB president Jin Liqun*. Available at <https://www.youtube.com/watch?v=QipvZ0KYbAc> [Accessed 01-07-2020].

<sup>42</sup> *Ibid.*



Welcoming partnerships with well-established institutions helps the AIIB build its credibility and overcome criticisms about its presupposed poor standards. Official discourses adopt a cooperation register to soften the image of the bank. Yet, they qualify traditional institutions as rather old and requiring policy reforms on membership and operations in developing countries<sup>43</sup>. The AIIB creates a legitimate space for itself, as a dynamic institution, willing to collaborate and learn from the established ‘respectable’ ones, but also as a player that advocates for developing countries’ expectations.

### *Partnership strategies in the Middle East and Central Asia*

The AIIB states its willingness to collaborate with other organisations in its second purpose: “Promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral institutions”<sup>44</sup>.

Co-funding is a common strategy in infrastructure funding to share risks on counterparties’ solvability<sup>45</sup>. To this extent, the AIIB has signed Memorandums of Understanding with most multilateral development banks<sup>46</sup>. The AIIB also provisioned during its creation the possibility to use other institutions’ standard documents and policies for co-funded investments to simplify project reporting<sup>47</sup> and uses them largely in the range of projects analysed for this research. Half of the 18 projects analysed in the Middle-East and Central Asia are co-funded, either with the WBG or with another MDB. Most of them were initiated during the earliest years of the AIIB’s activity, reflecting the bank’s learning curve. The AIIB stands as a “project bank” as opposed to the WBG being a “strategic bank”<sup>48</sup>. In particular, the AIIB has systematically used its partner’s Environmental and Social frameworks for all co-funded projects in the region. The joint monitoring or the monitoring of the AIIB loan by the partner is also widespread.

Through partnerships, the AIIB adopts a learning and explorative approach while limiting the risk of its investments and protecting the capital of its shareholders, among which China detains a significant part<sup>49</sup>. Much in line with observers’ arguments<sup>50</sup>, it reflects the method of Chinese policy-makers who need to find investment outcomes to solve the domestic economic tension that has been prevalent over the past three decades. The AIIB is thus another instrument for testing an avenue to expand geoeconomic influence.

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<sup>43</sup> See note 41 & Brookings Institution, 2015. Building Asia’s new bank: An address by Jin Liqun. Available at <https://www.youtube.com/watch?v=8QQU18DrMU0> [Accessed 01-07-2020].

<sup>44</sup> Asian Infrastructure Investment Bank, 2015. Articles of Agreement. Available at <https://www.aiib.org/en/about-aiib/basic-documents/articles-of-agreement/index.html> [Accessed 30-04-2020], p. 3.

<sup>45</sup> AIIB senior Advisor, personal communication, 5th June 2020.

<sup>46</sup> Asian Infrastructure Investment Bank, 2021. *Partnerships*. Available at <https://www.aiib.org/en/about-aiib/who-we-are/partnership/index.html> [Accessed 20-02-2021]

<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid.*

<sup>49</sup> 30,78% of the total / USD 29,78 billion (source: <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>, accessed on 20-08-2020)

<sup>50</sup> Huotari, M., & Heep, S., 2016. Learning geoeconomics: China’s experimental financial and monetary initiatives. *Asia Europe Journal*, 14(2), pp. 153-171.

### ***Partnering beyond infrastructure funding***

Even though the AIIB lends to ventures on a project basis, the case of projects included in larger programmes demonstrates that infrastructure funding is still much associated with the principles of building a favourable institutional environment. Two ventures particularly reflect this combination.

On a first project, the Egypt's *Sustainable Rural Sanitation Services Project*, the AIIB is engaged solely on the infrastructure aspect while the WBG uses a result-based financial instrument, *Program-for-Result* (PforR), to strengthen the national water regulator and "the enabling environment"<sup>51</sup>. The AIIB presents the co-financing through PforR as a learning experience for potential future instruments. On a second project, the *Bukhara region Water Supply and Sewerage Project* (BWSSP), the AIIB invests on an infrastructure basis only, but the wider programme aims at supporting the Uzbek Government in reforming the water sector<sup>52</sup>.

These two examples demonstrate that, while the AIIB loans are strictly confined to infrastructure funding, they are part of a larger initiative targeting sectorial reforms. The AIIB appears as the operating partner of the bigger institution and potentially aims at adopting similar patterns for granting loans, deviating from the project-based lending scheme. Yet, it is worth noting that both project documents report the lack of efficiency of national regulatory authorities in providing a safe and reliable access to water and sanitation services. It is not our aim here to claim that institutional reforms are irrelevant in all cases, but rather to demonstrate that the level of association between infrastructure development and policy reforms necessarily implicates the AIIB in the institutional transformation.

Thus, it appears quite clearly that the Luttwakian logic of conflict between US-led institutions and the AIIB put forward by some observers does not reflect neither in the discourse, nor in the operations of the bank. Cooperation is underscored for reputational and credibility purposes. Nonetheless, the nation-state perspective is not completely irrelevant: the AIIB's good reputation is a response by China to Western countries' demand to behave as the 'responsible stakeholder', and thus eases the path for more stand-alone projects. As Lim<sup>53</sup> argues in the case of foreign investments by Chinese State-Owned Enterprises and the expansion of the Yuan, the AIIB participates in the stabilisation of China's close environment, paving the way for further *fixes* to capital expansion. The AIIB then leans towards Hilpert & Wacker's analysis<sup>54</sup> of China using Western standards tailored to its own needs.

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<sup>51</sup> Asian Infrastructure Investment Bank, 2018. *Republic of Egypt, Sustainable Rural Sanitation Services Program*. Program Document of the Asian Infrastructure Investment Bank, p. 12

<sup>52</sup> Asian Infrastructure Investment Bank, 2019b. *The Republic of Uzbekistan, Bukhara Region Water Supply and Sewerage Project*. Project Document of the Asian Infrastructure Investment Bank.

<sup>53</sup> Lim, K. F., 2010. On China's growing geo-economic influence and the evolution of variegated capitalism. *Geoforum*, 41(5), pp. 677-688.

<sup>54</sup> Hilpert, H. G., & Wacker, G., 2015. *Geoeconomics meets geopolitics: China's new economic and foreign policy initiatives*. Berlin: Stiftung Wissenschaft und Politik -SWP- Deutsches Institut für Internationale Politik und Sicherheit.



## **Crafting a networked space in Central Asia and the Middle-East**

Through its discourses, policies and selection of projects, the AIIB reinforces the trend toward the spatial expression of the neo-liberal order, using infrastructures to create a territory made of connected welcoming areas for primary or virtual accumulation.

### ***Geoeconomic imaginaries and the tale of Chinese development***

As mentioned in the initial chapter, geoeconomics is framed through a set of discourses and images that in turn infuse practices designing the environment accordingly. Here, these imaginaries are used as evidence of the efficiency of connectivity for development and to legitimate the AIIB's operations.

In Jin Liqun discourses, one recurring explanation for the creation of the AIIB is the success of infrastructure development for China's own growth and poverty reduction. "China's experience" is in substance proof that infrastructures are the avenue for long-term and sustainable development<sup>55</sup>. To achieve that success, China has benefited from the support of the WBG and the ADB, it "will never forget about it" and professes a "duty" to give back: "it is our turn to do something for the rest of Asia and in [a] certain sense, for the rest of the world"<sup>56</sup>. However, the AIIB intends to change the story; while the WBG and the ADB have contributed to reduce extensively poverty in Asia over the past decades, their current approach is considered to be failing. Connectivity is the solution to "bridge the gap between the livelihood of the people and the outside world"<sup>57</sup>. Geoeconomics in this instance is concerned with the integration within the free market of populations that are supposedly deprived of it and unable to enjoy its benefits, drawing a parallel with Sparke's examination of the intertwining of discourses on geopolitical fears and geoeconomic hopes<sup>58</sup>. Like the US's self-intimated mission to rally the outsiders to neo-liberal practices, as leader of the free world, China is depicted as pursuing a similar calling for the development of infrastructures. This vocation explicitly fulfils Chinese authorities' praise of a 'community of shared destinies', that bears different interpretations, from a desire of harmony to the expansion of economic progress and the stabilisation of concentric circles situating China at the heart of the structure<sup>59</sup>.

Whilst there is no evidence of similar communication in the AIIB's documentation, its president's discourses remind us of the origin of the bank, offering some room for specifically

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<sup>55</sup> Lee Kuan Yew School of Public Policy, 2019. Public Lecture by Mr Jin Liqun, President of the Asian Infrastructure Investment Bank (AIIB). Available at <https://www.youtube.com/watch?v=ObDJyc1P1eI> [Accessed 01-07-2020] & Brookings Institution, 2015. Building Asia's new bank: An address by Jin Liqun. Available at <https://www.youtube.com/watch?v=8QQU18DrMU0> [Accessed 01-07-2020].

<sup>56</sup> Brookings Institution, 2015. Building Asia's new bank: An address by Jin Liqun. Available at <https://www.youtube.com/watch?v=8QQU18DrMU0> [Accessed 01-07-2020].

<sup>57</sup> *Ibid.*

<sup>58</sup> Sparke, M., 2007. Geopolitical Fears, Geoeconomic Hopes and the Responsibilities of Geography. *Annals of the Association of American Geographers* 97(2), pp. 338-349.

<sup>59</sup> Lin, S. Sidaway, J.D. & Woon, C.Y., 2017. Chinese Narratives on "One Belt, One Road" (一带一路) in Geopolitical and Imperial Contexts. *The Professional Geographer*, 69(4), pp. 591-603.

calling the AIIB an instrument of Chinese geoeconomic influence, by spreading its development philosophy, and paving the way to shape China's environment according to its needs.

### *An Infrastructure-specific bank shaping the regional environment*

The AIIB establishes its position by being the conveyor of Chinese expertise and model of infrastructure development as a path for long-term, sustainable growth<sup>60</sup>.

This background integrates the AIIB to the “global growth coalition”, composed of MDBs, transnational public or private actors and dominant economies, namely the US and China, reviving spatial planning policies<sup>61</sup>. While claiming to get away from the neo-liberal policies of previous decades, they nonetheless pursue the aim of correcting the lack of integration of certain territories to global markets. Comforting Schindler and Kanai's argument, the AIIB advances the necessity of building *resilience* against financial crisis and the fluctuations of globalisation as one of the reasons for its creation<sup>62</sup>, acknowledging their inevitability and the need for a *fix*, expressed in a regional and territorial form through infrastructure building. Connectivity infuses sector strategies alongside the articulation of fears of the consequences of climate change on coastal cities with the hopes of developing large economic centres across Asia<sup>63</sup>. It is worth noting that the Energy Sector strategy recognises a call for a different paradigm to consider the viability of infrastructure and for more inclusivity, proving an understanding of the necessity to challenge the current order<sup>64</sup>. However, the spatial expression of projects undertaken in the Middle East and Central Asia reveals both an uneven footprint and a commitment to fuelling the spatial fix.

### *An early focus on nodal countries connected through corridors*

Looking at the map of the AIIB's projects in Central Asia and the Middle East (see Figure 1 below), the concentration of ventures on *nodal* countries is quite striking. Turkey, Egypt and Oman concentrate 11 of the 18 regional projects – up to 12 if we include the TANAP, an essentially Turkish project, but for which AIIB's funding is directed toward Azerbaijan. Apart from one project and one on-lending facility, all ventures are in the energy or transport sector. We fully acknowledge here the youth of the organisation and take into account our

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<sup>60</sup> CGTN, 2019. Dialogue: Interview with AIIB president Jin Liqun. Available at <https://www.youtube.com/watch?v=QipvZ0KYbAc> [Accessed 01-07-2020].

<sup>61</sup> Schindler, S., & Kanai, J. M., 2019. Getting the territory right: Infrastructure-led development and the re-emergence of spatial planning strategies. *Regional Studies*, pp. 1-12.

<sup>62</sup> Asian Infrastructure Investment Bank, 2015. Articles of Agreement. Available at <https://www.aiib.org/en/about-aiib/basic-documents/articles-of-agreement/index.html> [Accessed 30-04-2020]. p. 3.

<sup>63</sup> Asian Infrastructure Investment Bank, 2018. Sustainable Cities Strategy: Financing Solutions for Developing Sustainable Cities in Asia. Available at <https://www.aiib.org/en/policies-strategies/operational-policies/sustainable-cities/index.html> [Accessed 02-05-2020]. p. 1

<sup>64</sup> Asian Infrastructure Investment Bank, 2018b. Energy Sector Strategy: Sustainable Energy for Asia. Available at <https://www.aiib.org/en/policies-strategies/strategies/sustainable-energy-asia/index.html> [Accessed 30-04-2020]. p. 18.

conversation with the AIIB's senior Advisor who stated that the first projects were selected to ensure a geographical balance and a diversity of sectors. It can be argued legitimately that the AIIB only recently published draft strategies for sectors other than transportation and energy. Our claim is that this concentration reveals the bank's primary focus. The analysis builds here on Samaddar's analysis of postcolonial capitalism<sup>65</sup>, and the necessity of governing space through zones connected with corridors.

The AIIB evidently does not act as a governing authority delineating incentivized economic zones but is still creating anchors and relationships with countries placed in strategic positions. Under this framing, those countries privileged by the AIIB can be considered as critical zones to secure for investment and development. The mapped projection of the AIIB's early projects is in line with Samaddar's analysis of the consequences of creating zones: the inevitable requirement to connect them in order to ensure capital flow. All projects funded by the AIIB in the Middle East and Central Asia linked to connectivity and transportation are part of a larger economic corridor: the Asia Highway Network, the Central Asia Regional Economic Cooperation Corridor, the BRI or the East-West highway in Georgia, the main road link in the country between Europe and Asia (see Appendix 3). As Schindler & Kanai<sup>66</sup> point out, the projects are *plugging in* urban and port areas into trans-national networks, producing a connected Eurasian territory from Western China to the Mediterranean Sea.

In summary, the AIIB is ordering space by using the three complementary mechanisms already identified by Le Billon & Sommerville<sup>67</sup> in extractive industries: discourses crafting imaginaries, institutional development, and operational imprint to undertake a transformative effect on targeted territories. These elements find their discernible counterparts at the project level.

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<sup>65</sup> Samaddar, R., 2015. Zones, corridors, and postcolonial capitalism. *Postcolonial Studies*, 18(2), pp. 208-221.

<sup>66</sup> Schindler, S., & Kanai, J. M., 2019. Getting the territory right: Infrastructure-led development and the re-emergence of spatial planning strategies. *Regional Studies*, pp. 1-12.

<sup>67</sup> Le Billon, P., & Sommerville, M., 2017. Landing capital and assembling 'investable land' in the extractive and agricultural sectors. *Geoforum*, 82, pp. 212-224.

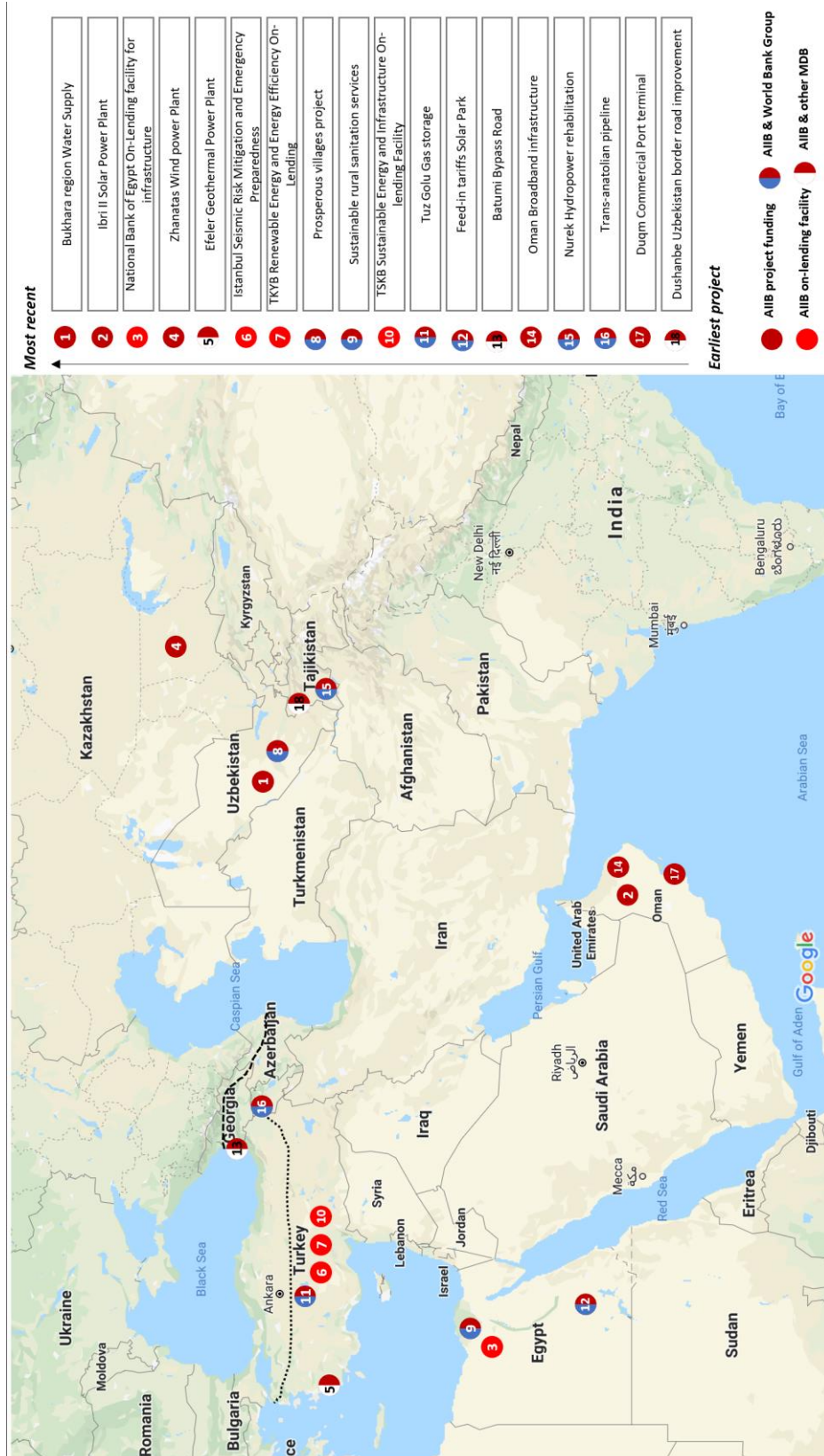


Figure 1: Projects undertaken by the AIIB in the Middle- East and Central Asia

Source: author's compilation via <https://www.aiib.org/en/projects/list/index.html>

### **The TANAP, an asset for the ‘hub of regional energy lines’**

The TANAP, expected to be fully operating in 2021, is part of the Southern Gas Corridor (SGC), an initiative led by the European Union, carrying Azeri natural gas from the Turkish-Georgian border to the Turkish-Greek border (see Appendix 4). The project is co-financed by multilateral banks, energy companies and other private sources. The AIIB joined the partnership after the beginning of the project, specifically complementing the loans granted to Azerbaijan. The TANAP is a project grounded in geopolitical and geoeconomic considerations, and the participation of the AIIB definitely endorses the bank’s contribution to framing the institutional and territorial environment.

### ***Diverging geoeconomic hopes***

The TANAP project analysis displays how the opportunity to invest in large infrastructure projects carries a discourse of geoeconomic imaginaries. Turkish and Azeri authorities emphasize their cooperation and the role of the TANAP in influencing security in the Syrian-Afghanistan region<sup>68</sup>, while the WBG insists on the diversification of gas supply for Europe, the contribution of the project to energy market reforms in Turkey and to economic stability and transparency in Azerbaijan<sup>69</sup>. The AIIB underlines the incentive for Azerbaijan to rise up to international norms as well as benefits for Turkey in terms of energy security, economic development and employment<sup>70</sup>. Both institutions set expectations for the project to help Azerbaijan recover its compliant status within the Extractives Industry Transparency Initiative (EITI), lost in 2015 following civil society pressures. In comparison, Turkish and Azeri officials hope to strengthen a partnership between like-minded authoritarian governments while stating: “TANAP is the epitome of multilateral cooperation [...] another embodiment of our view which sees energy as a basis for cooperation rather than conflict”<sup>71</sup>.

Geoeconomic hopes<sup>72</sup> thus infuse the rhetoric of lenders and receiving countries, however their ultimate visions appear to be quite divergent. The doctrine of growth and economic development bringing stability permeates the visions of both governments and lending institutions, but the political motivations are strikingly different. Yet, those differences do not prevent cooperation for institutional reforms and operations.

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<sup>68</sup> Ibrahim, K., 2018. Tanap: Influencer Well Beyond Energy. *Turkish Policy Quarterly*, 17(3), pp. 47-52.

<sup>69</sup> World Bank. 2016a. Azerbaijan and Turkey - Trans-Anatolian Natural Gas Pipeline Project (English). Washington, D.C. : World Bank Group.

<sup>70</sup> Asian Infrastructure Investment Bank, 2016c. *Republic of Azerbaijan, Trans Anatolian Natural gas Pipeline (TANAP) Project*. Project Document of the Asian Infrastructure Investment Bank.

<sup>71</sup> Presidency of the Republic of Turkey, 2018. “Our country is now one step closer to its vision to become a hub of regional energy lines thanks to TANAP”. Available at <https://www.tccb.gov.tr/en/news/542/94485/-our-country-is-now-one-step-closer-to-its-vision-to-become-a-hub-of-regional-energy-lines-thanks-to-tanap-> [Accessed 23-07-2020].

<sup>72</sup> Sparke, M., 2007. Geopolitical Fears, Geoeconomic Hopes and the Responsibilities of Geography. *Annals of the Association of American Geographers* 97(2), pp. 338-349.



### ***A multi-actor project for a large territorial footprint***

Through its participation in the project, the AIIB participates in the institutional shift of the European Union's (EU) energy strategy from a liberal approach to an energy security doctrine<sup>73</sup>. The whole SGC aims at diversifying energy sources – a liberal market logic – by specifically departing European countries from their dependence on Russian gas – reflecting geopolitical concerns. To that extent, the TANAP engages multiple lenders and provides an opportunity for the AIIB to build early credibility, acting as a branch of the coalition supporting institutional reforms in Azerbaijan.

Operational preparation of the project aims at designing a favourable space for investment. All parties depict the TANAP as a new asset for Turkey as it reinforces its strategic position at the European border. As stated by Turkish President Erdogan, the TANAP gets Turkey “one step closer to its vision of becoming a hub of regional energy lines”<sup>74</sup>. In the meantime, by delivering 6 bcm (billion cubic meters) to Turkey out of the total 16 bcm transiting through the TANAP, the pipeline is presented as new generation by opposition to traditional pipelines that cross territories without supplying domestic markets<sup>75</sup>.

Despite efforts to improve its acceptability, the TANAP already bears the risk pointed out by Samaddar, implied by the volatility of current capital accumulation. While the infrastructure may stay, conflicts, crisis and economic shift may transform the once prosperous zones into forgotten areas. First, the forecast in European countries' demand in natural gas justifying the construction of the SGC is subject to various discrepancies, and should the EU meet its energy efficiency goals, a supplementary pipeline would not be required<sup>76</sup>. Second, major instabilities and conflicts are pervading the region, either requiring the implementation of security *dispositifs* or possibly discouraging investments and maintenance. Incidents between the Turkish and Kurdish forces have already damaged a part of the pipeline at the early stages<sup>77</sup>. Finally, the TANAP also requires non-local labour, which is one of the markers of capital accumulation. The AIIB highlights the “disproportion between the impacts and benefits for the local communities”<sup>78</sup>.

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<sup>73</sup> Siddi, M., 2019. The EU's botched geopolitical approach to external energy policy: The case of the Southern Gas Corridor. *Geopolitics*, 24(1), pp. 124-144.

<sup>74</sup> Presidency of the Republic of Turkey, 2018. “Our country is now one step closer to its vision to become a hub of regional energy lines thanks to TANAP”. Available at <https://www.tccb.gov.tr/en/news/542/94485/-our-country-is-now-one-step-closer-to-its-vision-to-become-a-hub-of-regional-energy-lines-thanks-to-tanap-> [Accessed 23-07-2020].

<sup>75</sup> Yildirim, D. Ç., Erdogan, S., Yildirim, S., & Can, H., 2017. The effect of the Trans-Anatolian natural gas pipeline project (TANAP) on industrial production in Turkey. *International Journal of Energy Sector Management*, 35, pp. 97-103.

<sup>76</sup> CEE Bankwatch, 2016. Risky business - Who benefits from the Southern Gas Corridor? CEE Bankwatch Network. Available at <http://bankwatch.org/sites/default/files/risky-business.pdf> [Accessed 26-06-2020].

<sup>77</sup> Siddi, M., 2019. The EU's botched geopolitical approach to external energy policy: The case of the Southern Gas Corridor. *Geopolitics*, 24(1), pp. 124-144.

<sup>78</sup> Asian Infrastructure Investment Bank, 2016c. Republic of Azerbaijan, Trans Anatolian Natural gas Pipeline (TANAP) Project. Project Document of the Asian Infrastructure Investment Bank.

In summary, the TANAP is a landmark project for the AIIB: crucial its credibility, but marking the territory. With this early investment, the AIIB signals the scale at which it intends to operate and provides evidence of its ability to master the production of a territory, rendering it favourable for investments.

## Conclusion

While the AIIB, as a newcomer in the world of MDBs, has the potential to shake the current multilateral order, its study within the prism of geoeconomics allows for considering its influence in carrying Chinese philosophy of territorial development. Whether a state instrument for projecting power or a crafting mechanism shaping the close environment, geoeconomics is particularly well suited to understanding China's use of its economic strength and dynamics. By insisting on its willingness to cooperate with other actors, the AIIB has reassured on its operating standards, enhanced its credibility and built a territorial footprint in the Middle-East and Central Asia. It participates in the production of space in the regions by establishing pillar countries and designing networks that will support capital circulation and further fixes. This strategy, supported by geoeconomic imaginaries grounded on the Chinese path for development, fits within the wider use of geoeconomic influence by China through the trial of a new instrument. This new multilateral institution pursues the ambition of shaping economic flows, very likely in the favour of China due to its overcapacity and economic domination over the region. The AIIB has very recently released its new mission "Infrastructure for Tomorrow", much in line with these conclusions, but taking a stronger turn toward climate finance with an objective of 50% of all financing approval by 2025, while by 2030, half of the projects should be led by the private sector and 25% to 30% of projects should be enhancing cross-border connectivity<sup>79</sup>.

The argument may open further researches looking at nuancing it. From the operations' perspective, a complement to the present study addressing possible impacts on borrowing countries and communities concerned with the projects may open another scope of research. Using in-depth data on environmental and social impacts, supplemented by the perception of local populations would help the understanding of the effects of the space crafted by the AIIB. Will it induce geographies of dispossession as sketched by the study of the TANAP, or will the benefits of improved living environments and connectivity overtake other consequences? From another angle and institutional perspective, as the AIIB continues its growth in terms of intervention scope and members, the dilution of China's presence and expertise may affect the conduct of the bank's activities. In particular, the current COVID-19 response has led all MDBs to back economies with large amounts of funding, whose long-term effects will need to be assessed.

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<sup>79</sup> Asian Infrastructure Investment Bank, 2021. *Infrastructure for Tomorrow*. Available at <https://www.aiib.org/en/about-aiib/who-we-are/infrastructure-for-tomorrow/overview/index.html> [accessed 20-02-2021]



## APPENDICES

### APPENDIX 1: Methodology, data Collection and analysis

Given that the AIIB has not undertaken projects in all areas, countries included in the research were: Azerbaijan, Egypt, Georgia, Kazakhstan, Oman, Tajikistan, Turkey and Uzbekistan (see Appendix 2 for details of the projects). In these countries, all approved projects with labelled sub-sectors were included – *Energy, Information and Communications Technology (ICT), Transport, Urban, Water* – as well as *Financial Institution*, a category in which every project related to on-lending facilities for infrastructure building. The timeframe of reports ranges from the beginning of the bank's operations in 2016 to April 2020.

The research was conducted using AIIB's official documents available online, starting with the review of core documents: the Articles of Agreement founding the bank, the bank's business plans from 2016 to 2020 as well as the 2018 annual report and sectors strategies (Energy, Transport, Sustainable Cities, draft water strategy and draft digital infrastructure strategy). Turning to projects documentation, the *Project Document* was used whenever available (12 projects), or the *Project Summary Information* (6 projects), and the *Environmental and Social Framework* if available as well. Through careful note taking, AIIB's reports and documents were analysed both for their content and with a critical discourse analysis lens. Particular attention was paid on sections related to the rationale for the institution's involvement and the alignment with overarching objectives of the bank in an effort to assess the investment pattern. The 18 projects and on-lending facilities were also mapped in order to render their spatial distribution, in accordance with the purpose of this research being to assess the territorial aspect of the AIIB geoeconomic influence. The case study draws as well upon NGOs reports and communications – Bankwatch in particular, a congregation of several NGOs – and publicly available information from countries authorities along the TANAP.

For an understanding of the rationale behind the bank's creation, its position, objectives and communication, the AIIB documentation is supplemented with interviews, conferences and lectures given by Jin Liqun, President of the AIIB, and accessible online. Chinese authorities' official discourses were found through chinadaily.com, xinhuanet.com and the Ministry of Foreign Affairs of the People's Republic of China's website. These are analysed through a critical discourse analysis, specifically devoting attention to the ideology – the set of beliefs and assumptions – and the frames – the cognitive associations – generated by the leadership to depict the AIIB as an institution.

Finally, in order to get a better insight about the bank's approach to decision-making and project selection, an interview was conducted with a senior expert at the AIIB involved in its creation process. The interview was semi-structured with large open-ended questions for two main reasons: benefiting from the vast knowledge of our interlocutor while in the meantime listening to the depiction of the AIIB.

## APPENDIX 2: Table of projects included in the research

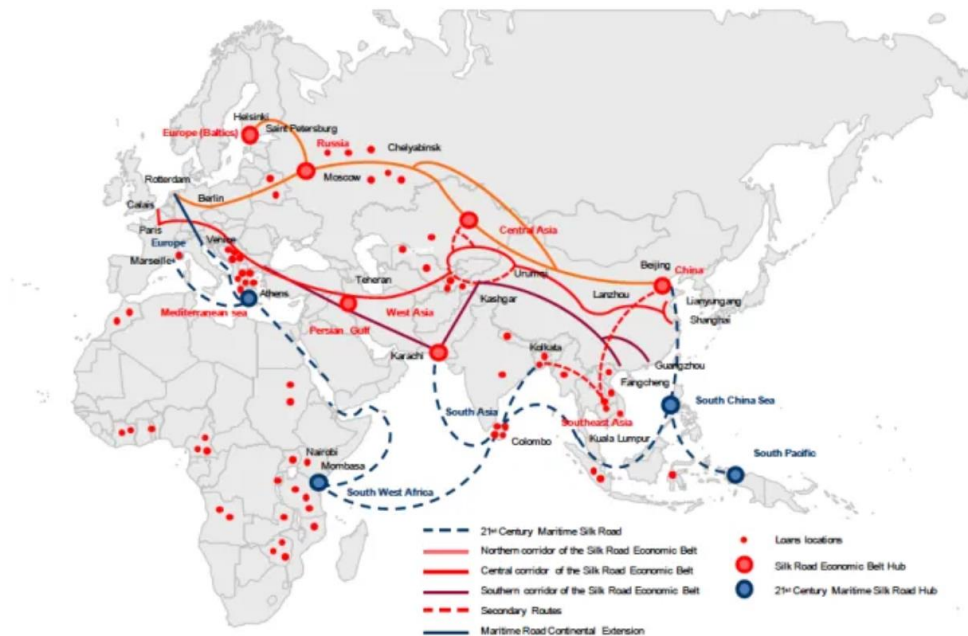
Source: <https://www.aiib.org/en/projects/list/index.html> [last accessed 24-08-2020]

Approval year	Country	Sector	Financing type	Other lenders	Project type	Project name	Financing amount (USD millions)	Documentation available
2020	Uzbekistan	Water	Stand-alone		Sovereign	Uzbekistan: Bukhara Region Water Supply and Sewerage (BRWSSP)	385,12	Project Document Project Summary Information Environmental and Social Management Planning Framework
2020	Oman	Energy	Stand-alone		Non-Sovereign	Oman: Ibri II 500MW Solar PV Independent Power Plant	60	Project Summary Information Resettlement Action Plan Stakeholder Engagement Plan Environmental and Social Impact Assessment - Volume 1, 2, 3, 4
2019	Egypt	Financial Institution	Stand-alone		Non-Sovereign	Egypt: National Bank of Egypt On-Lending Facility for Infrastructure	150	Project Summary Information
2019	Kazakhstan	Energy	Stand-alone		Non-Sovereign	Kazakhstan: Zhanatas 100 MW Wind Power Plant	46,7	Project Summary Information Zhanatas Windfarm Birds Monitoring Report Zhanatas Wind Power Plant Project Environmental and Social Analysis Zhanatas Wind Power Plant Non-Technical Summary Zhanatas Wind Power Plant Stakeholder Engagement Plan
2019	Turkey	Energy	Cofinanced	EBRD & BSTDB	Non-Sovereign	Turkey: Efer 97.6MWE Geothermal Power Plant Expansion Project	100	Project Summary Information Environmental and Social Impact Assessment (EBRD) Press release
2019	Turkey	Financial Institution	Stand-alone		Sovereign	Turkey: Istanbul Seismic Risk Mitigation and Emergency Preparedness	300	Project Document Project Summary Information Project Implementation Monitoring Report Environmental Management Plan (ISMEP) Request for Expressions of Interest General Procurement Notice
2019	Turkey	Financial Institution	Stand-alone		Sovereign	Turkey: TKYB Renewable Energy and Energy Efficiency On-Lending	200	Project Summary Information Project Document Project Implementation Monitoring Report Press release
2019	Uzbekistan	Financial Institution	Cofinanced	WBG	Sovereign	Uzbekistan: Prosperous Villages Project	82	Project Document Project Summary Information Environmental and Social Management Framework (WBG) Resettlement Policy Framework (WBG)
2018	Egypt	Water	Cofinanced	WBG	Sovereign	Egypt: Sustainable Rural Sanitation Services Program, Phase-2	300	Project Summary Information Project Document Project Implementation Monitoring Report Environmental and Social Systems Assessment (WBG)
2018	Turkey	Financial Institution	Stand-alone		Sovereign	Turkey: TSKB Sustainable Energy and Infrastructure On-lending Facility	200	Project Summary Information Project Document Project Implementation Monitoring Report TSKB Sustainability Policy Press release
2018	Turkey	Energy	Cofinanced	WBG	Sovereign	Turkey: Tuz Golu Turkey Gas Storage Expansion	600	Project Document Project Summary Information Project Implementation Monitoring Report Environmental and Social Systems Assessments (WBG) Resettlement Policy Framework (WBG)
2017	Egypt	Energy	Cofinanced	WBG	Non-Sovereign	Egypt: Egypt Round II Solar PV Feed-in Tariffs Program	210	Project Summary Information for each power plan (11) Press release
2017	Georgia	Transport	Cofinanced	ADB	Sovereign	Georgia: Batumi Bypass Road	114	Project Document Project Summary Information Project Implementation Monitoring Report Environmental Impact Assessment (ADB) Land Acquisition and Resettlement Plan (ADB)
2017	Oman	ICT	Stand-alone		Non-Sovereign	Oman: Oman Broadband Infrastructure	152,1	Project Summary Information Environmental and Social Management Plan Press release
2017	Tajikistan	Energy	Cofinanced	WBG	Sovereign	Tajikistan: Nurek Hydropower Rehabilitation, Phase I	60	Project Document Project Summary Information Project Implementation Monitoring Report Environmental and Social Impact Assessment Stakeholder Engagement Plan (WBG) Project Information Document (Appraisal Stage) (WBG) Press release
2016	Azerbaijan	Energy	Cofinanced	WBG	Sovereign	Azerbaijan: Trans Anatolian Natural Gas Pipeline Project (TANAP)	600	Project Document Project Summary Information Project Implementation Monitoring report Executive Summary of ESIA and Supporting Environmental and Social Safeguards Documents (WBG) Press release
2016	Oman	Transport	Stand-alone		Sovereign	Oman: Duqm Port Commercial Terminal and Operational Zone Development	265	Project Document Project Summary Information Project Implementation Monitoring Report Final Construction Environmental Management Plan Press release
2016	Tajikistan	Transport	Cofinanced	EBRD	Sovereign	Tajikistan: Dushanbe-Uzbekistan Border Road Improvement	27,5	Project Document Project Summary Information Project Implementation Monitoring Report General Procurement Notice (EBRD) Environmental and Social Action Plan (EBRD)

## APPENDIX 3: Maps of development corridors

### The Belt and Road Initiative (One Belt – One Road)

Plot of Loans along One Belt, One Road



Source: <http://beltandroadcenter.org/2017/12/15/maps-of-the-silk-road/> [Accessed 24-08-2020]



OBOR Map

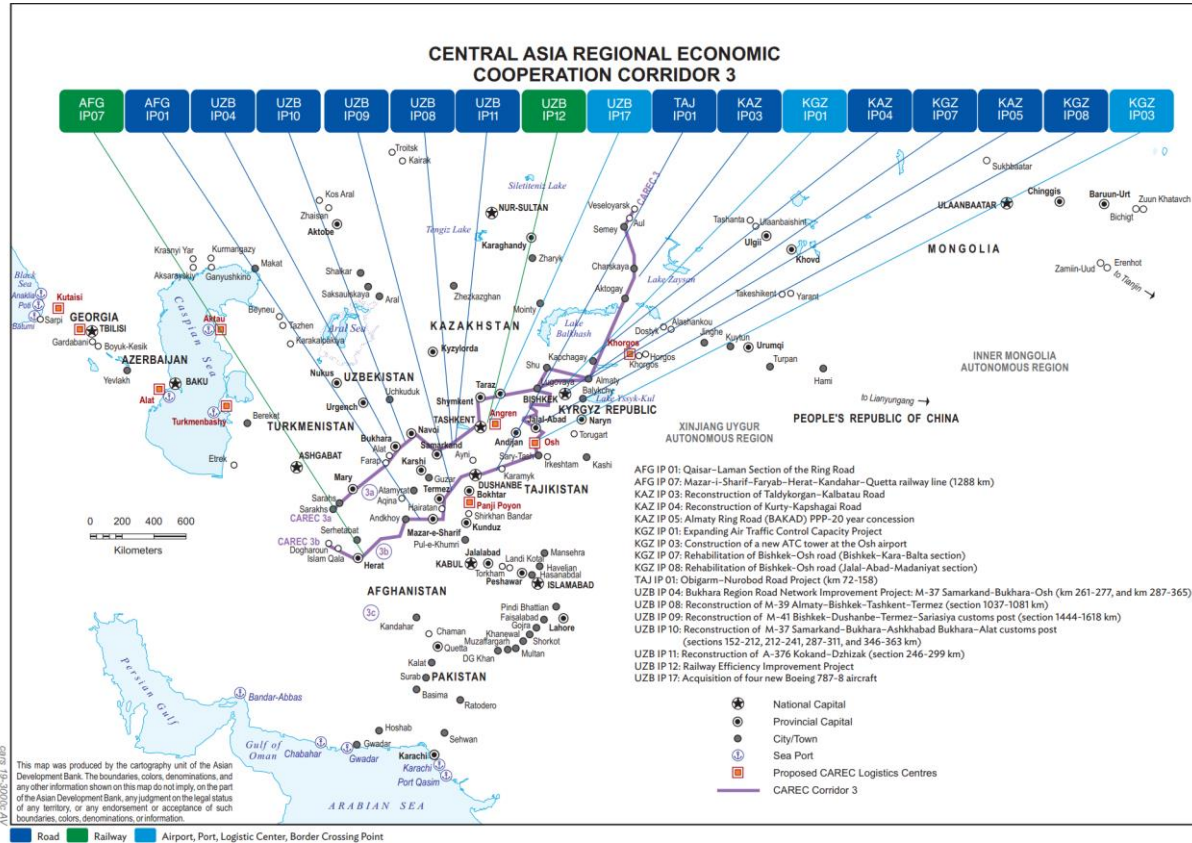
Table 1. The countries along the route of the OBOR.

Regions	Countries
Northeast Asia (2)	China, Mongolia
Southeast Asia (10)	Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam
South Asia (7)	Bangladesh, India, Nepal, Pakistan, Bhutan, Maldives, Sri Lanka
Central Asia (9)	Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
Middle East (15)	Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen
Central and Eastern Europe (23)	Albania, Belarus, Bosnia and Herzegovina, Bulgarian, Croatia, Cyprus, Czech, Estonia, Greece, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine

Note: While there is no official list of OBOR countries yet, this list of countries is widely circulated in the Chinese media as covered by the OBOR initiative.

Source: Cai, K.G., 2018. The One Belt One Road and the Asian Infrastructure Investment Bank: Beijing's New Strategy of Geoeconomics and Geopolitics. *Journal of Contemporary China*, 27(114), p.832

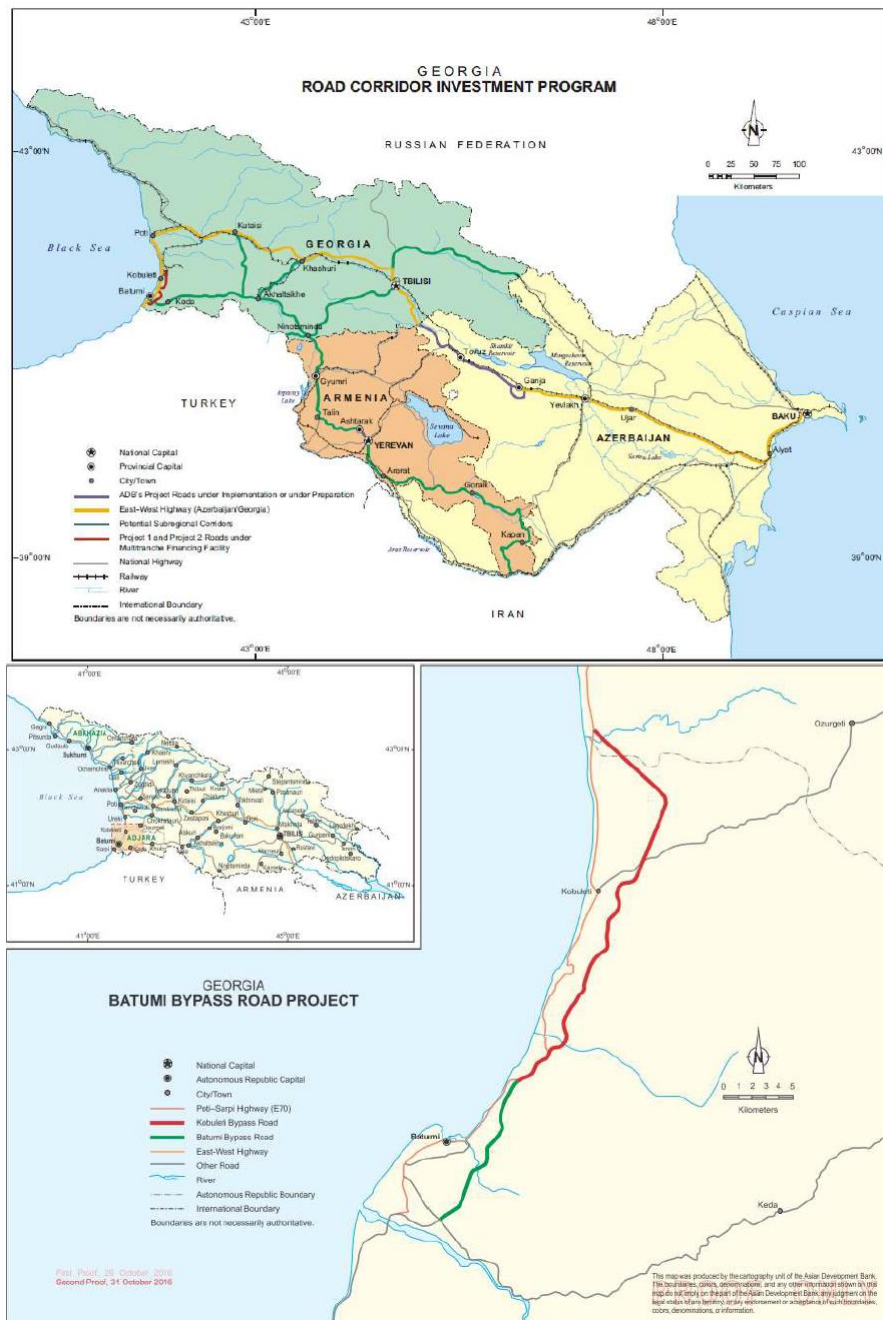
## The Central Asia Regional Economic Cooperation Corridor 3



Source: <https://www.carecprogram.org/uploads/carec-priority-investment-projects-corridor-3.pdf> [Accessed 21-07-2020]



## The East-West Highway



Source: ADB

Source: Asian Infrastructure Investment Bank, 2017. *Georgia, Batumi Bypass Road Project*. Project Document of the Asian Infrastructure Investment Bank, p8

## APPENDIX 4: Map of the TANAP and the Southern Gas Corridor



Source: World Bank, 2016a, p108



Source: <https://www.tanap.com/tanap-project/why-tanap/> [Accessed 20-08-2020]