

For information

## **Finance Committee**

### **Asian Infrastructure Investment Bank**

This paper provides supplementary information in the light of the enquiries made in the first letter of Hon Chu Hoi-dick (**Annex**) on 27 April 2017 regarding the funding approval vide FCR(2017-18)2 for subscription of the capital of the Asian Infrastructure Investment Bank (AIIB).

#### **(A) AIIB and the Belt and Road Initiative**

2. President Jin Liqun of the AIIB has reiterated on many occasions that the AIIB and the Belt and Road Initiative are two different projects. As early as October 2015, President Jin stated that the AIIB “is not created exclusively for One Belt, One Road”<sup>1</sup>. The AIIB will also support those countries which are not part of the Belt and Road. In the “Summer Davos” held in Tianjin in June 2016, he underscored the crucial distinction again. The AIIB is currently in the process of taking in new members, there are applicants which are not economies covered by the Belt and Road Initiative. As regards the Silk Road Fund, it is a development and investment fund initiated in China and is not related to the AIIB. Therefore the questions pertaining to the Belt and Road Initiative and the Silk Road Fund<sup>2</sup> are not considered relevant to the current funding application.

#### **(B) Investment and Risk Management of the AIIB**

3. For approving a project, the AIIB will undertake a due diligence process considering in detail factors such as returns, feasibility, and risk exposure before making a decision. The AIIB has also put in place a Risk Management Framework<sup>3</sup>.

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<sup>1</sup> [https://www.brookings.edu/wp-content/uploads/2015/10/20151021\\_asia\\_infrastructure\\_bank\\_transcript.pdf](https://www.brookings.edu/wp-content/uploads/2015/10/20151021_asia_infrastructure_bank_transcript.pdf)

<sup>2</sup> <http://www.silkroadfund.com.cn/enweb/23773/index.html>

<sup>3</sup> [https://www.aiib.org/en/policies-strategies/\\_download/risk-management-framework/AIIB-Risk-Management-Framework-final-14Nov-clean.pdf](https://www.aiib.org/en/policies-strategies/_download/risk-management-framework/AIIB-Risk-Management-Framework-final-14Nov-clean.pdf)

4. The AIIB operates in accordance with prudent principles. According to the Articles of Agreement (AoA) for establishing the AIIB the total amount of outstanding loans, equity investments, guarantees and other types of financing provided by the AIIB in its ordinary operations shall not be increased, if by such increase the total amount of its unimpaired subscribed capital, reserves and retained earnings included in its ordinary resources would be exceeded (Article 12(1)). According to Article 12(2) of the AoA, the amount of the AIIB's disbursed equity investments shall not at any time exceed an amount corresponding to its total unimpaired paid-in subscribed capital and general reserves.

5. Regarding questions (1) and (2) of section (B) of Hon Chu's letter, the AIIB has all along attached great importance to clean practice. It has a mechanism for Report of Fraud and Corruption<sup>4</sup>. The AIIB has also put in place a Policy on Prohibited Practices<sup>5</sup>. In March 2017, the AIIB announced that it would adopt the list of sanctioned firms and individuals under the Agreement for Mutual Enforcement of Debarment Decisions<sup>6</sup>. This means that close to 1,000 entities that have been debarred by five other leading multilateral development banks<sup>7</sup> are also now debarred by the AIIB. Moreover, its Compliance, Effectiveness and Integrity Unit reports directly to the BoD. As the Unit's Director General, Mr. Hamid Sharif, explains, "AIIB's institutional arrangements create increased accountability and transparency because I report directly to our Board of Directors as the head of the integrity unit. This creates an open channel that will improve the bank's ability to react and deal with any suspicions of corruption or unethical behavior in our projects<sup>8</sup>."

6. On 27 April 2017, the AIIB launched a stakeholder consultation and invited the public to submit recommendations on the design of the AIIB's Complaints Handling Mechanism. The mechanism's objective is to proactively support project compliance and to rapidly solve the problems of people adversely affected by AIIB's projects<sup>9</sup>.

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<sup>4</sup> <https://www.aiib.org/en/about-aiib/who-we-are/report-fraud-corruption/index.html>

<sup>5</sup> [https://www.aiib.org/en/policies-strategies/\\_download/policy-on-prohibited-practices/policy\\_on\\_prohibited\\_practices.pdf](https://www.aiib.org/en/policies-strategies/_download/policy-on-prohibited-practices/policy_on_prohibited_practices.pdf)

<sup>6</sup> [https://www.aiib.org/en/news-events/news/2017/20170307\\_001.html](https://www.aiib.org/en/news-events/news/2017/20170307_001.html)

<sup>7</sup> They are the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group, and the World Bank.

<sup>8</sup> [https://www.aiib.org/en/news-events/news/2017/20170307\\_001.html](https://www.aiib.org/en/news-events/news/2017/20170307_001.html)

<sup>9</sup> [https://www.aiib.org/en/news-events/news/2017/20170427\\_001.html](https://www.aiib.org/en/news-events/news/2017/20170427_001.html)

## **(C) Role of the Government in the Governance of the AIIB**

7. The Board of Governors is the highest decision-making body of the AIIB, as all powers of the AIIB are vested therewith. However, the daily operations are undertaken by the management under the oversight and direction of the Board of Directors (“BoD”) of the AIIB.

8. After Hong Kong has become a member, we will be entitled to appoint a Governor and an Alternate Governor. We will take into account relevant experience when making the appointments. For example, many Governors of the AIIB are also Finance Ministers of the appointing members. For reference, the Financial Secretary is the Governor representing Hong Kong at the Asian Development Bank. We have no plan to pay any remuneration to the Governor or Alternate Governor representing Hong Kong.

9. According to the AIIB’s Rules of Procedures of the BoD, the Chairman (i.e. AIIB’s President) shall ordinarily ascertain and announce to the meeting the sense of the meeting with regard to any matter and the Board shall be deemed to have acted in accordance with the announcement by the Chairman without the necessity of taking a formal vote. If a vote is necessary, we will consider Hong Kong’s own position and interest carefully before casting our vote.

10. We estimate that Hong Kong’s voting power is about 0.7%.

**Financial Services and the Treasury Bureau**  
**28 April 2017**

敬啟者

**進一步查詢有關認繳亞洲基礎設施投資銀行的股本的財委會項目**

本人於上周六就亞投行撥款一事向政府有關當局提出了一系列詢問，惟至今仍未得到回覆。本人重申，亞投行是一大型政府間國際組織(IGO)，香港政府若擬就加入亞投行一事向財委會申請撥款批准，理應在事前已經向本委員會準備一系列文件，令本委員會在開會前能充分了解亞投行的成立目的、定位、運作細節、政策原則、目標和標準、財務狀況、預算和計劃等；但政府非但未有履行本身應該負上的責任，為本委員會充分預備開會文件，更對本人提出的詢問不聞不問：4月28日已經是開會日期，但至今仍未得到任何回覆。

本人在此向政府有關當局對待立法會議員的態度、把立法機關視為「提款機」的，表達強烈不滿，並謹此要求政府有關當局在要財委會批准政府的撥款申請時，可以以更認真和嚴謹的態度去看待立法機關。

有關認繳亞洲基礎設施投資銀行的股本的財委會項目，本人謹提出進一步查詢如下：

**A.亞投行與一帶一路**

眾所周知，亞洲基礎設施投資銀行(亞投行)是作為中國共產黨政權主席習近平提倡的「絲綢之路經濟帶和21世紀海上絲綢之路」(一帶一路)的融資工具。本人認為，由於亞投行與一帶一路計劃有著千絲萬縷的關係，在本委員會審議有關認繳亞投行股本的項目前，實有必要了解一帶一路的實質內容，以及亞投行與一帶一路之關係。

(i). 一帶一路這個經濟合作概念至2013年提出至已經逾四年。請政府告知本委員會，自中國政府自2013年起就一帶一路計劃所提出和已經落實或落實中的實質計劃，並詳細解釋相關計劃的內容；

(ii). 請政府進一步向本委員會解釋，亞投行與一帶一路計劃的關係；

(iii)據悉，中國除了帶領成立亞投行為一帶一路計劃中的國家和地區提供基建的貸款融資外，習近平亦在2015年12月29日斥資四百億美元成立了「絲路基金」，向一帶一路沿線國家之基礎設施、資源開發、產業和金融合作等與互聯互通有關項目提供投融資支持。

由於絲路基金和亞投行的目的相近，請政府向本委員會詳細解釋，亞投行與絲路基金的關係、異同以及在一帶一路計劃中的分工、角色上是否會有重疊或衝突等；亦請政府向本委員會提供有關絲路基金的資料，包括已批出的資助或貸款項目、項目詳請、批出項目的準則和原則等。

(iv)一帶一路的沿線地區和國家一向被認為是地緣政治衝突的熱點。請政府告知本委員會，過去十年間發生於一帶一路沿線地區和國家的大型政治衝突事件，包括但不限於邊境衝突(Border Disputes)、非透過民主選舉而發生的政權更迭等。

(v)請政府向本委員會交代，過去三年間香港政府花在「一帶一路」的項目列表和開支。

並請政府向本委員會交代，除亞投行外，香港政府有意花在「一帶一路」的項目計劃和計劃開支。

## **B.亞投行投資的風險和風險管理**

(i)承上題，一帶一路的沿線地區和國家一向被認為是地緣政治衝突的熱點，而亞投行已批出的項目多集中在一帶一路沿線地帶，如孟加拉、巴基斯坦、緬甸、阿塞拜疆等，倘若這些地區發生政權更迭或大型政治衝突，將對已批出項目的推進有不可預計、甚至是災難性的後果。

請政府告知本委員會，亞投行在批出項目時，是否有進行詳細的風險及回報評估？

如有，請向本委員會詳細解釋有關風險管理和評估機制和準則，並提交有關文件，讓本委員會了解亞投行的風險管理機制。

若否，請解釋為何在高風險地區批出貸款項目時竟沒有向本委員會披露風險管理和回報的評估。

(ii)除了地緣政治衝突外，一帶一路以及亞投行的成員、發起國家和投資對象也包括貪污情況十分嚴重的國家，如發起亞投行的中國、烏茲別克、吉爾吉斯斯坦、阿塞拜疆、哈薩克斯坦、塔吉克斯坦、孟加拉國等。

(1)請政府告知本委員會，當亞投行在進行貸款項目審批時，尤其是主權擔保的貸款項目，是否會先就該國家或地區的貪污情況進行評估和調查，或先要求該國改革貪腐情況，再決定是否批出該項目？

若有，請詳細解釋審批過程和標準。

若否，請向本委員會詳細解釋原因。

(2)此外，請問在批出貸款項目後，亞投行是否設有監督或監察機制去跟進該項目，以杜絕貪污情況出現？

若會，請向本委員會詳細解釋有關監督或監察機制。

若否，請向本委員會詳細解釋為何在貪污情況嚴重的地區或國家進行投資時竟然沒有監督或監察機制？

(iii)承題 A(vi)及 B(i)，請政府告知本委員會，亞投行是否有就一帶一路沿路地區和國家，在未來十年間會否出現大型地緣政治或政治衝突的詳細分析和評估？

若會，請政府告知本委員會有關分析和評估結果。

若否，請政府向本委員會詳細解釋，為何即使地緣政治或政治衝突會對亞投行貸款項目的推進帶來災難性的結果，亞投行方面都不就有關問題進行分析、評估及研究？

### **C. 香港政府在亞投行的統轄和管理(Governance)**

(i)根據亞投行協定的第五章治理部分的第二十二條有關理事會的構成，每個亞投行成員均能在理事會有自己的代表並能任名一名理事及一名副理事。

(1)請政府告知本委員會，若此撥款議案獲得通過及香港正式成為亞投行成員後，香港政府會以怎樣的程序委任在亞投行的香港理事和副理事？請問政府能否向本委員會承諾，在決定亞投行的理事和副理事人選前，先交由立法會討論並尋求立法會的同意？

(2)根據亞投行協定的第五章治理部分的第二十二條第三部分，理事和副理事任職期間，銀行不予給付薪酬。請政府告知本委員會香港政府委任的理事和副理事，會否由特區政府給付其薪酬？若會，請政府告知本委員會有關的人事編制擬定安排。

(3)請問香港政府若能成功成為亞投行成員，香港理事所佔的投票份額為多少？

(4)由於亞投行是由中國政府領導、牽頭甚至在投票時享有否決權，若香港政府不就參與亞投行事務釐訂自己的準則和原則，恐怕加入後在每次投票時都只會惟北京之命是從。

請政府告知本委員會，香港政府任命的理事在進行投票時的有否釐訂投票準則和原則？若有，如何釐訂？會否把該準則和原則交由立法會審議？

若否，原因為何？

(5)請問政府可否向本委員會承諾，在理事每次行使投票權前，均先向立法會交代其投票意向和理據，並尋求立法會同意？

此致

立法會財務委員會主席陳健波議員

財經事務及庫務局局長陳家強教授

立法會議員朱凱迪謹啟

2017 年 4 月 27 日