



DIRECTIVE ON AIIB'S PERFORMANCE OF ITS ROLE AS THE ADMINISTRATOR OF THE MCDF FINANCE FACILITY

Sponsor: Director General, Strategy, Policy and Budget Department

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Summary of Content: Roles and responsibilities of relevant Business Units of the Bank in carrying out the role of AIIB as the Administrator of the MCDF Finance Facility.

Related Documents: Instruction or Guideline on AIIB's performance of its role as the Administrator of the MCDF Finance Facility (to be issued, if necessary)

**DIRECTIVE ON AIIB'S PERFORMANCE OF ITS ROLE
AS THE ADMINISTRATOR OF THE MCDF FINANCE
FACILITY**

June 27, 2025

1. OVERRIDING OBJECTIVE

- 1.1. On June 30, 2020, the Board of Directors (Board) of the Asian Infrastructure Investment Bank (AIIB) adopted a decision approving, *inter alia*, AIIB's assumption of the role of the Administrator of the Finance Facility of the Multilateral Cooperation Center for Development Finance (MCDF), including the establishment and hosting of the MCDF Secretariat.
- 1.2. The overriding objective of this Directive is to set out the roles and responsibilities of relevant Business Units of the Bank in carrying out the role of AIIB as the Administrator of the MCDF Finance Facility.
- 1.3. The exercise and interpretation of this Directive shall seek to give effect to this overriding objective.

2. DEFINITIONS

- 2.1. "Business Unit" is as defined in the Directive on Business Continuity.
- 2.2. The other capitalized terms, if not specified in this Directive, shall have the meanings set forth in the [Governing Instrument of the Finance Facility of the Multilateral Cooperation Center for Development Finance](#) effective as of May 15, 2020 (Governing Instrument).

3. SCOPE OF APPLICATION

- 3.1. This Directive applies to all Bank Personnel, as defined in the AIIB Code of Conduct for Bank Personnel.

4. BASIC CHARACTERISTICS OF THE MCDF FINANCE FACILITY

- 4.1. The purpose of the MCDF Finance Facility is to increase high-quality connectivity investments in developing countries in compliance with international financial institutions (IFI) standards, including by encouraging other investors and financial institutions to adopt such standards.
- 4.2. The MCDF Finance Facility is governed by its Governing Committee comprised of contributors to the MCDF Finance Facility.
- 4.3. AIIB, as the Administrator of the MCDF Finance Facility, will provide (i) financial services to the MCDF Finance Facility, including opening an MCDF Account,

managing financial transactions, investment of funds, arranging for the transfer of funds, monitoring funding levels, and providing regular financial reports to the MCDF Finance Facility; and (ii) administrative services in connection with the establishment and hosting of the MCDF Secretariat. AIIB will be allocated a budget and reimbursed for the cost of all such services by the MCDF Finance Facility in line with the provisions of the Governing Instrument.

- 4.4. The MCDF Secretariat is responsible for the day-to-day operations of the MCDF Finance Facility. The MCDF Secretariat functionally reports to the Governing Committee but is administratively governed by applicable AIIB rules and procedures, including those on human resources management, ethics, accounting, asset management, procurement and facilities. The Secretariat is headed by its Chief Executive Officer (CEO), who is appointed by the Administrator with the concurrence of the Governing Committee and who reports administratively to the President.

5. ROLES AND RESPONSIBILITIES

- 5.1. The President delegates administrative matters to the Vice President, Policy and Strategy (**VPPS**), except for:
- (i) approval of Implementing Partners;
 - (ii) approval of the accreditation process and criteria for Implementing Partners, as required under Article 12.2 of the Governing Instrument;
 - (iii) amendments to the Governing Instrument;
 - (iv) termination of the role of the Administrator;
 - (v) approval of contributors to the MCDF Finance Facility;
 - (vi) termination of the MCDF Finance Facility; and
 - (vii) settlement of disputes involving AIIB as the Administrator of the MCDF Finance Facility.
- 5.2. The **VPPS** represents AIIB on administrative matters in relation to the MCDF Finance Facility including all matters relating to AIIB's role as the Administrator and on the Coordination Committee of the MCDF, except for the matters set out in section 5.1 of this Directive, or the matters that fall within the responsibility of other Business Units as specified in this Directive. The VPPS may also seek the President's instruction where deemed appropriate.
- 5.3. The Strategy, Policy and Budget Department (**SPB**) is responsible for:
- (i) establishing an Administrator Coordination team to coordinate the Administrator's role across AIIB to ensure that the MCDF Secretariat can function independently while following applicable AIIB rules and procedures;
 - (ii) coordinating with the Corporate Secretariat (SEC) to report relevant information to the AIIB Board;
 - (iii) supporting President and VPPS in carrying out their responsibilities set out in sections 5.1 and 5.2 of this Directive;
 - (iv) facilitating and coordinating the administrative processes for fund management, including but not limited to commitment of funds and transfer of funds to IFI Implementing Partners, return of investment income and the transferred funds from IFI Implementing Partners, and other transfers under

- the instruction of the Governing Committee, receiving contributions from the Contributors and monitoring of available funds;
- (v) the development, operation, maintenance and continuous enhancements of the MCDF Administrator IT System¹, as business owner of the system;
 - (vi) developing and implementing the cost recovery approach for the costs incurred by AIIB in carrying out the role as the Administrator of the MCDF Finance Facility;
 - (vii) preparing annual workplan and budget of the Administrator of the MCDF Finance Facility and reporting to the Governing Committee; and
 - (viii) other ad-hoc support to the MCDF Secretariat such as on budget-related matters.
- 5.4. The Legal Department (**LEG**) is responsible for providing legal advice on all matters relating to AIIB's role as the Administrator of the MCDF Finance Facility, including legal support to the MCDF Secretariat.
- 5.5. The Office of the Controller (**CTL**) is responsible for:
- (i) maintaining the books of the MCDF Account in the general ledger, processing corporate expenses and payments, and managing corporate master data²;
 - (ii) preparing the annual financial statements of the MCDF Account;
 - (iii) arranging a periodic audit by the Administrator's external auditors, in accordance with the Administrator's policies, of the financial statements of the MCDF Account;
 - (iv) provisioning of internal controls related to the financial transactions of the MCDF Account;
 - (v) preparing quarterly reports on the MCDF Account for the Administrator Coordination team; and
 - (vi) administering payroll disbursement operations for the CEO and MCDF Secretariat staff.
- 5.6. The Internal Audit Office (**IAO**) is responsible for carrying out any internal audit pursuant to [the Terms of Reference of the Internal Audit Office](#).
- 5.7. The Office of the Treasurer (**TRE**) is responsible for:
- (i) opening and managing the MCDF Account, which shall be kept separate from other accounts maintained or owned by AIIB;
 - (ii) receiving and transferring MCDF Finance Facility funds;
 - (iii) undertaking foreign exchange transactions as required;
 - (iv) execution of payment instructions;
 - (v) investing funds pending their transfer in a manner consistent to AIIB's standards for investment management; and
 - (vi) preparing periodic reports on the investment performance of the MCDF Account.

¹ An IT system developed by AIIB to support the administrative processes in relation to the function of the Administrator of MCDF Finance Facility.

² Information related to suppliers and individuals which have business relationship with MCDF.

- 5.8. The Human Resources Department (**HRD**) is responsible for all matters related to the management of human resources in relation to the MCDF Finance Facility, including the recruitment of the CEO, MCDF Secretariat staff and its outsourced staff. All AIIB HR policies and procedures will be applicable to the MCDF Secretariat, with the exception of matters related to (i) the CEO's performance—which will first be assessed by the Governing Committee, whose assessment will then be provided to the AIIB to guide the annual performance review of the CEO—and (ii) the CEO's appointment, with the concurrence of the Governing Committee.
- 5.9. The Facilities and Administration Services Department (**FAS**) is responsible for supporting and overseeing the procurement needs of the MCDF Secretariat for goods and services in accordance with the [Policy on Corporate Procurement](#) and related implementing instruments. All AIIB travel policies will be applicable to the MCDF Secretariat, including transportation, hotel arrangements, and allowances. FAS will also provide for MCDF Secretariat office space, furniture, facilities and related administrative and security services in accordance with AIIB's capacity and policies. FAS also supports the MCDF Secretariat with information governance and management, and ensure compliance with privacy and data protection standards and practices as outlined in the relevant AIIB's policies and directives.
- 5.10. The Information Technology Department (**ITD**) is responsible for providing day-to-day technology support to the MCDF Secretariat. In addition, ITD is responsible for collaborating with the Administrator Coordination team, the Secretariat and other relevant Business Units in the development of business applications and systems based on agreed business requirements, as well as providing technical project management services for the system implementation and development.
- 5.11. The Risk Management Department (**RMD**) is responsible for overseeing risks from a second line of defense perspective—as defined in the [Risk Management Framework](#)—relating to AIIB's role as the Administrator of the MCDF Finance Facility, in accordance with the Bank's overall risk management framework and related risk management processes.
- 5.12. For those Business Units not specifically mentioned in the above paragraphs, AIIB's policies will be followed in carrying out activities in support of the MCDF.

6. IMPLEMENTATION

- 6.1. In consultation with related Business Units, the VPPS shall introduce, if necessary, any related Instruction, Guideline or other procedural documents to ensure the effective implementation of this Directive. The VPPS shall provide necessary support for the application and implementation of this Directive.

7. APPLICATION AND WAIVER

- 7.1. The President shall make all final decisions regarding the application of this Directive,

including whether to grant a waiver thereof, in accordance with section 4.8 of the Directive on the Internal Legal Framework.