The Asian Infrastructure Investment Bank (AIIB) is creating a USD500-million managed credit portfolio where environmental, social and governance (ESG) investment principles are integrated. The AIIB ESG Markets Initiative aims to:

- Develop infrastructure as an asset class.
- Encourage investments in infrastructure-related companies.
- Catalyze the development of ESG investing strategies.

The AIIB ESG Markets Initiative will focus on promoting investments in corporate, green and quasi-sovereign bonds in infrastructure-related sectors in AIIB members. Consistent with AIIB’s priority of financing sustainable infrastructure, bonds are screened, assessed and managed based on ESG principles as mapped out in the AIIB Environmental and Social Framework. An asset manager will follow an agreed-upon policy to screen, invest in and manage these bonds.

Consistent with AIIB’s priority of mobilizing private capital, the AIIB ESG Markets Initiative will encourage private sector financing for infrastructure and other productive sectors through capital market instruments. AIIB can thus diversify the offerings available to project sponsors by exploring capital market opportunities and innovative distribution channels.
SECTOR FOCUS
- Core Infrastructure Issues (power, utilities, transportation, telecommunications, urban, etc.)
- Green Bonds (where use of proceeds go to sustainable infrastructure)
- Other Productive Sectors (where proceeds go to sustainable infrastructure)

PORTFOLIO VALUE BY AIIB MEMBER
- China
- Georgia
- Hong Kong, China
- Indonesia
- Russia
- Turkey
- United Arab Emirates
- Singapore, Oman
- Azerbaijan, Israel, Malaysia, Philippines, Saudi Arabia

AIIB Asia ESG Enhanced Credit Managed Portfolio
- AIIB
- Asset Manager
- Partner...
- Manage capital...
- Engage/Partner
- Invest USD500 million
- Engage/Partner

ESG MARKETS INITIATIVE
- Step 1: Awareness
  - Invest AIIB’s own capital to provide a proof of concept.
- Step 2: Alignment
  - Share framework and insights gained to help other investors develop ESG investing strategies.
- Step 3: Advancement
  - Advance development of capital markets by creating ESG indexes and mobilizing investor capital.

The AIIB ESG Markets Initiative aims to encourage investors in Asia to move up the ESG investment ladder.

For more information:
thomas.walenta@aiib.org
paul.lam@aiib.org
courtney.lowrance@aiib.org

This AIIB material was printed on recycled paper.