



**Directive on AIIB's Performance of its Role as
the Administrator of the MCDF Finance Facility
February 5, 2021**

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 internal 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 will seek to give effect to this overriding objective.

2. DEFINITIONS

- 2.1. As used in this Directive, the capitalized terms 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.

3. BASIC CHARACTERISTICS OF THE MCDF FINANCE FACILITY

- 3.1. The purpose of the MCDF Finance Facility is to increase high-quality connectivity investments in developing countries in compliance with international financial institution (IFI) standards, including by encouraging other investors and financial institutions to adopt such standards.
- 3.2. The MCDF Finance Facility is governed by its Governing Committee comprised of contributors to the MCDF Finance Facility.
- 3.3. 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 reimbursed

for the cost of all such services by the MCDF Finance Facility in line with the provisions of the Governing Instrument.

- 3.4. 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 will report administratively to the President. The President delegates administrative issues to the Vice President, Policy and Strategy (VPPS).

4. RESPONSIBILITIES

- 4.1. The **VPPS** represents AIIB on administrative matters in relation to the MCDF Finance Facility, including on the Coordination Committee of the MCDF, and is responsible for all matters relating to AIIB's role as the Administrator of the MCDF Finance Facility, except for:
- matters related to (i) approval of Implementing Partners, other than those accredited as Technical Partners of the Global Infrastructure Facility (GIF); (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. The authority over such matters remains with the President;
 - matters on which the VPPS may deem appropriate to seek the President's instructions; and
 - matters that fall within the responsibility of other internal units as specified in this Directive.
- 4.2. 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 Secretary Vice Presidency (**SEC**) to report relevant information to the AIIB Board; (iii) supporting VPPS in reporting to the President's Office; and (iv) supporting the MCDF Secretariat in the preparation of their annual budget and subsequent reporting to the Governing Committee.
- 4.3. The Office of the General Counsel (**OGC**) 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.
- 4.4. The Office of the Controller (**CTL**) is responsible for: (i) maintaining the books of the MCDF Account in the general ledger and processing its receipts and

cash transfers; (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; and (v) preparing quarterly reports on the MCDF Account for the Administrator Coordination team.

- 4.5. The Internal Audit Office (**IAO**) is responsible for carrying out any internal audit pursuant to [the Terms of Reference of the Internal Audit Office](#).
- 4.6. The Office of the Treasurer (**TRE**) is responsible for: (i) opening and managing the MCDF Account; (ii) receiving and transferring MCDF Finance Facility funds; (iii) undertaking foreign exchange transactions as required; (iv) investing funds pending their transfer following AIB's own investment guidelines and related policies; and (v) preparing periodic reports on the investment performance of the MCDF Account.
- 4.7. 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 and MCDF Secretariat staff. All AIB HR policies and procedures will be applicable to the MCDF Secretariat, with the exception of the CEO's performance which will first be assessed by the Governing Committee, whose assessment will then be provided to the AIB to guide the annual performance review of the CEO.
- 4.8. 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](#). All AIB travel policies will be applicable to the MCDF Secretariat, including transportation, hotel arrangements, and per diems. FAS will also provision for MCDF Secretariat office space, furniture and other facilities in accordance with AIB's capacity and policies.
- 4.9. The Information Technology Department (**ITD**) is responsible for providing day-to-day technology support to the MCDF Secretariat, including provision of IT systems and equipment, access to AIB's internal systems following AIB's procedures and protocols for granting access, email addresses, and website development and subsequent support. In addition, ITD is responsible for collaborating with the Secretariat in the development of a Management Information System (MIS). In this capacity, ITD is also responsible for providing technical project management services for the development and implementation of the MIS, in coordination with the MCDF Secretariat and other relevant internal units referred to in this Directive. The MCDF Secretariat is responsible for provision of the MIS business requirements to ITD.

- 4.10. The Communications Department (**COM**) is responsible for supporting the MCDF Secretariat in the design of the MCDF website¹ and working with IT to ensure timely development. The Secretariat may elect to request COM to support other MCDF communications needs such as supporting external relations and preparation of annual reports, outreach materials and publications.
- 4.11. For those departments not specifically mentioned in the above paragraphs, AIIB's policies will be followed in carrying out activities in support of the MCDF.

5. INFORMATION DISCLOSURE BY AIIB

- 5.1. AIIB's Public Information Policy and related Directive and Administrative Guidance govern the disclosure of information relating to this Directive.

6. AUTHORITY

- 6.1. The President is responsible for making all final decisions regarding the application of this Directive.
- 6.2. The VP PS is hereby delegated responsibility by the President to oversee the implementation of this Directive. In consultation with related VPs/Departments, the VP PS will prepare an Administrative Guidance for the detailed working arrangements for AIIB to provide financial and administrator services to the MCDF Finance Facility.

¹ The MCDF Secretariat is responsible for the content management of the MCDF website and may hire its own staff or consultants who will work on the design of the MCDF website, in coordination with ITD.