

BHUTAN TODAY

Sunday, December 04, 2016

Vol. 9, issue 95, Nu. 10/-

IN THE NEWS

Pompadour is the new hairstyle in town | 03

Lewis Hamilton 'doesn't care' who replaces Formula 1 champion

|Page 12

Trump-Taiwan call: China lodges protest

|Page 07



AIIB to co-fund projects in the SAARC Region

By Tshering
Thimphu

Although the government had shied away from becoming a member of the Asian Infrastructure Investment Bank (AIIB), the regional bank had agreed to work with SDF to co-finance cross border projects and programs especially in the areas of rural energy, transport and ICT connectivity projects focusing on up-gradation of infrastructure and to enhance regional connectivity in SAARC Member States including Bhutan.

On Tuesday, a delegation of AIIB led by the Vice President and Corporate Secretary, Sir Danny Alexander visited the SAARC Development Fund Secretariat in Thimphu in order to discuss possible areas of joint collaboration.

SAARC Development Fund (SDF) Chief Executive Officer, Dr. Sunil Motiwal has confirmed that AIIB has agreed to work along with SDF to co-finance cross



Dr. Sunil Motiwal, CEO, SDF with Sir Danny Alexander, Vice President & Corporate Secretary, AIIB

border projects in SAARC Member States.

Dr. Motiwal discussed in detail the formulation of strategies and action plan for the strategic growth of SAARC Member States.

AIIB delegates also met finance minister Lyonpo Namgay Dorji, foreign minister Lyonpo Damcho Dorji, and senior officials from both the ministries.

The Asian Infrastructure

Investment Bank is an International financial Institution that aims to support the building of infrastructure in the Asia Pacific region. The Bank has 31 Member States (all 'Founding Members'). The Capital of the bank is USD 100 billion.

The Bank's foundation is built on the lessons of experience of existing MDBs and the private sector. Its modus operandi will be lean, clean and green: lean, with a small efficient management team and highly skilled staff; clean, an ethical organization with zero tolerance for corruption; and green, an institution built on respect for the environment.

Bhutan had not joined AIIB and is not going to do it anytime soon. The global financial institution was founded by China in a bid to finance infrastructure development in the Asian region and abroad.

All south Asian nations including India, Nepal and Bangladesh became members of the bank recently.

In an earlier meet the press session, Prime Minister Tshering Tobgay had said that there is no urgency to join any new bank or take any new loans.

Lyonchhen said the government has so far not talked about joining the new bank. He said the country was in the middle of its 11th Five Year Plan and all the required finances for the plan period, in the form of internal revenue, external borrowings, grants, and aid for the plan period are secured.

Lyonchhen said the government today has access to external borrowing from the Asian Development Bank, the World Bank, International Fund for Agricultural Development (IFAD), and the Kuwait Fund.

However, if there is a need to finance big infrastructural projects, Lyonchhen said, the government will definitely consider joining other banks, including the AIIB, but that might happen in the distant future.