

**Green Development, a China-led Development Bank, and a Development
Project in Zhanatas, Kazakhstan**

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by

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Abstract

In 2016, China established the Asian Infrastructure Investment Bank (AIIB) as a Chinese-led alternative to the World Bank. Branding itself as a multilateral institution to build green infrastructure with ‘sustainability, innovation, and connectivity’, AIIB has grown to become the world’s second-largest multilateral development bank (MDB) by the GDP it represents. However, the questions surrounding AIIB extend beyond banking issues and are embedded in the politics of MDBs and the geopolitics of China’s rise. Taking a critical approach, this thesis aims to examine AIIB within the context of climate finance and the green energy transition and what implications this has for the greening of MDBs and China’s global reach.

I make two main arguments. First, the notion of ‘green’ has enabled AIIB to engage with mainstream MDBs and promote its expansion. By aligning with mainstream development discourse and practice, the bank has successfully transformed from a regional infrastructure bank to a global development institution since 2019. Second, AIIB’s green agenda can produce both short-term effects and longer-term political consequences on the ground. While the evolving green agenda facilitates AIIB’s expansion, it can also depoliticise the highly political issues embedded in AIIB’s projects.

Drawing on year-long fieldwork in Beijing, China, and Zhanatas, Kazakhstan, this thesis offers three main contributions. Firstly, for the MDB literature, it shifts the focus from mainstream MDBs and provides a perspective on alternative institutions. Secondly, for the critical development studies, it broadens our understandings of the depoliticising effects of MDBs’ green agenda. Thirdly, for contemporary China studies, it represents one of the first critical, bottom-up, multi- and inter-disciplinary studies of AIIB, a China-backed development institution.

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I wrote for those who have passed.

For my grandmother, Meizi Yang,
who once said,
‘A thief can steal everything but knowledge.’

For my best friend, Bambi,
whose life was as long as this project.
He will now and forever be a free dog.

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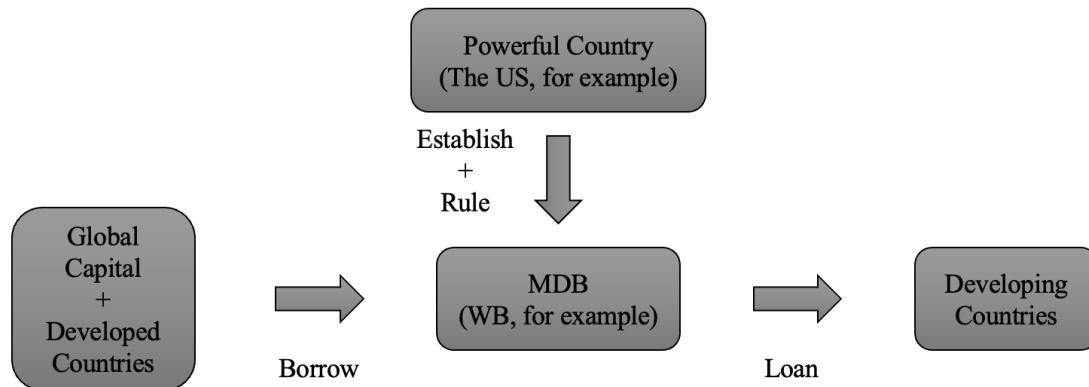
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Chapter 1 Introduction

The Asian Infrastructure Investment Bank (AIIB) has garnered significant attention in both academic literature and policymaking over the past decade. Established in Beijing in 2016, AIIB was designed as a Chinese-led alternative to the World Bank and other Western-dominated development finance institutions. Despite its relatively recent founding, the bank has expanded rapidly. By the end of 2024, it was collaborating with 110 countries, encompassing over 79 per cent of the global population and 65 per cent of the world's gross domestic product (GDP) (AIIB, 2024a).

The China-backed AIIB belongs to a bigger family known as multilateral development banks (MDBs). MDBs play a central role in international development through the finance they provide. By way of definition, MDBs are financial institutions created by sovereign countries to support economic and social development in less economically developed regions (Humphrey, 2019; Kellerman, 2019; Woods, 2006). To put it simply, an MDB is a 'bank' created by a (often) powerful country to 'do development things' (Figure 1.1). It borrows money from its more developed member countries as well as the global market, and then loans it to its developing member countries to support their development projects (Humphrey, 2017; Marois, 2021). Unlike commercial banks, which prioritise profit, MDBs focus on providing loans at lower interest rates, or 'concessional financing', to enhance economic and social conditions in low- and middle-income regions. Today, over 25 MDBs work in specific fields of international development—such as infrastructure, energy, education, and climate change—alongside the well-known World Bank (Michaelowa et al., 2021; Michaelowa et al., 2020).

Figure 1.1 How MDBs Work

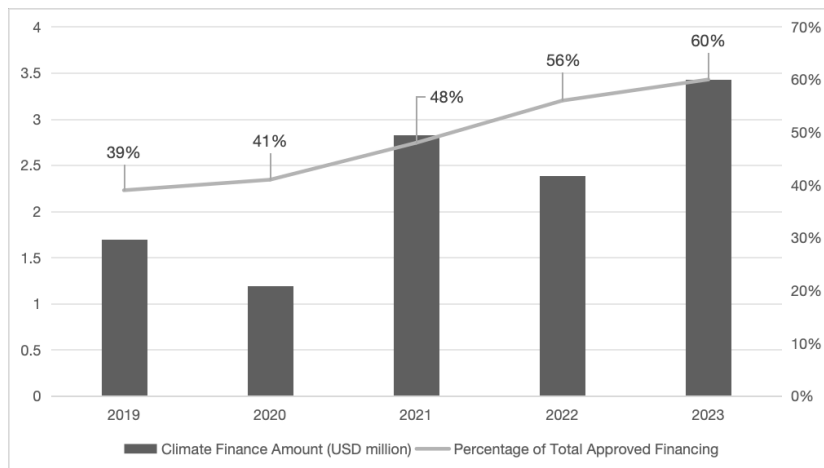


Sources: Made by the author, built on the MDB literature.

Over the last decade, the rising impact of climate change has significantly shifted multilateral financial priorities towards ‘green development’ (Michaelowa et al., 2020; Pauw et al., 2022). Reflecting this shift, MDBs have increased their focus on climate finance and green energy on both global and regional scales (MDB, 2023). Looking ahead, MDBs estimate that by 2030, their annual collective climate financing for low- and middle-income countries will reach USD 120 billion, including USD 42 billion dedicated to adaptation, alongside efforts to mobilise an additional USD 65 billion from the private sector (World Bank, 2025).

Just like its peers, AIIB’s pivot toward ‘green’ has been evident (Figure 1.2). In 2019, the bank committed to its ‘Corporate Strategy’ goal of directing 50% of its total approved financing toward climate-related projects by 2025 (AIIB, 2024b). Since then, the bank has progressively increased its share of climate finance to meet its 2025 target, rising from 39 per cent in 2019 to 60 per cent in 2023 (AIIB, 2024c). The number of projects contributing to climate finance has also grown, with 107 climate-focused projects across various sectors by the middle of 2023, representing half of AIIB’s total project portfolio (AIIB, 2023d).

Figure 1.2 Climate Trajectory of AIIB (2019—2023)



Sources: (AIIB, 2023d, 2023a, 2023c, 2024c). Figure made by the author.

Taking a critical approach, this thesis aims to examine AIIB within the context of climate finance and the green energy transition and what implications this has for the greening of MDBs and China's global reach.

1.1 The Questions of AIIB

Over the past decade, AIIB has attracted growing attention from both scholars and policymakers. In this Section, I explain: (1) why AIIB is a good case and, (2) a good case of what.

First, I present that AIIB serves as a valuable case—both empirically and theoretically—for understanding the evolving role of MDBs. Second, I show why AIIB is especially significant in the context of debates on the 'greening' of MDBs. Third, I discuss how AIIB also represents an important case through which to examine China's growing global influence.

1.1.1 AIIB and MDBs

Different from conventional finance, development finance is unique for its long-term and high-risk features (Michaelowa et al., 2020; Pau et al., 2022).¹ Where the profit-maximising private capital shows its limited willingness and ability to invest in large-scale or high-risk development projects, public financial institutions like MDBs play their part (Danyluk, 2018; Güngen, 2023). In addition to their fundraising capacity, MDBs also promote development

¹ Yet the demand for climate finance is high. For example, nations in the Asia-Pacific region face a gap of over USD 800 billion in climate finance, according to IMF (IMF, 2024).

finance by distributing risks. Oftentimes, MDBs, especially the World Bank and traditional MDBs, take risks for and provide guarantees to commercial capital in high-risk areas, such as energy and infrastructure, so that private finance can ‘crowd in’ (Griffith-Jones, 2008, 2022; Humphrey, 2016, 2017; Woods, 2006). By bundling public loans and private capital flows, countries (especially developing ones) can realise their developmental goals strategically (Anantharajah & Setyowati, 2022; Hu et al., 2022; Michaelowa et al., 2020; Xie et al., 2023; Zhang, 2022).²

In the classical MDB literature, there has been extensive research on the structure, governance, and operations of established, often Northern-/Western-led MDBs like the World Bank and the Asian Development Bank (Clark & Dolan, 2021; Kilby, 2013; Woods, 2006). For example, the literature has shown how MDBs’ functioning and lending are predominantly affected by their dominant member states (Clark and Dolan, 2021; Goldman, 2005; Kilby, 2006; Nelson, 2001; Wade, 2022), as well as the changing capital market (Humphrey, 2016). However, more recently, a predominant theme of academic research has been on whether and how political and economic structures of borrowing countries affect the decisions and behaviour of MDBs (Humphrey and Michaelowa, 2013). For some, the demand factor plays a significant role in explaining MDBs: MDBs respond to changes in the economic strength of their borrowing countries and the changing balance of power among their shareholders (Clark, 2021; Humphrey, 2017).

Over the past two decades, the rise of the Global South has underscored the need for MDBs that are led by and responsive to Southern countries. As emerging economies—such as China, India, and Brazil—have gained greater economic and political influence, they have increasingly demanded a stronger voice in shaping global development agendas, especially in key areas like infrastructure investment, climate finance, and sustainable development (Wang, 2019). Yet Northern-led MDBs, dominated by Western powers, have often been criticised for failing to fully address the priorities, development models, and governance preferences of countries in the Global South (Barrowclough et al., 2021; Gallagher & Yuan, 2017). In response, two pathways have emerged. The first is reforming existing MDBs by increasing the voting power and representation of Southern countries within these institutions. The second is

² Which is also known as blended finance. In practice, blended finance usually means combining development finance and philanthropic funds to attract private capital to difficult development areas.

establishing new, Southern-led MDBs which seek to create alternative platforms that reflect Southern interests, priorities, and visions of development (Humphrey, 2022). Together, these approaches highlight ongoing efforts to rebalance global development finance.

It was in this context that AIIB was established. On 24 October 2014, twenty-one countries signed a Memorandum of Understanding (MoU) in Beijing, China, to formalise their commitment to the bank's creation. These earliest founding members included Bangladesh, Brunei, Cambodia, India, Kazakhstan, Kuwait, Laos, Malaysia, Myanmar, Mongolia, Nepal, Oman, Pakistan, the Philippines, Qatar, Singapore, Sri Lanka, Thailand, Uzbekistan, and Vietnam (State Council of PRC, 2014). On 16 January 2016, AIIB's Board of Governors held its inaugural meeting in Beijing and officially declared the bank open for business (AIIB, 2024d). By this point, more major economies, including India, Russia, Brazil, UK, and Germany, had decided to join the bank (as Chapter 4 will further show). To better understand how AIIB defines its mission and priorities, we can turn to its official documents, which offer insight into how the bank presents itself and its role within the broader MDB landscape:

We are a multilateral development bank (MDB) based in Asia, with an international membership. We began operations on Jan. 16, 2016, with 57 founding Members (37 regional and 20 nonregional). As of Dec. 31, 2023, we have 109 approved Members comprising 95 full Members and 14 prospective ones, of which there are 52 regional Members (47 full Members and 5 prospective) and 57 non-regional Members (48 full Members and 9 prospective).

...

These Members collectively represent approximately 81% of the global population and 65% of global gross domestic product (GDP).

...

We are self-governing, rules- and treaty-based, and rated AAA with preferred creditor status (AIIB, 2024a, pp. 10-11).

Notably, the establishment of AIIB, alongside other institutions such as New Development Bank (NDB), offers an important opportunity for MDB scholarship to shift its focus toward a group of Southern-led institutions. As a result, academic attention has increasingly turned to these new MDBs—particularly AIIB and NDB—and their emerging role in development finance (Güngen, 2023; Ray and Kamal, 2019; Qian et al., 2023). Typically, this body of research examines how these institutions manage their rapid growth (Haga, 2021), how they

approach the idea of ‘development’ (Güngen, 2023), and how they may challenge or reshape the traditional development finance system (Kaya et al., 2021; Kaya & Woo, 2022; Wang, 2019).

More importantly, the emergence of AIIB generates insights that are highly relevant to the broader ‘mainstream’ MDB community for two main reasons. First, for MDB experts, although AIIB is not always classified as a mainstream MDB, it operates with a financial model that is fundamentally similar to established institutions such as the World Bank (Hameiri and Jones, 2018b; Humphrey, 2016). Second, a significant part of AIIB’s leadership and management team consists of professionals with prior experience in mainstream MDBs, including the World Bank and Asian Development Bank (ADB). This transfer of expertise has contributed to shaping AIIB’s operational and institutional practices, aligning them closely with existing MDB norms and mechanisms (Chen & Liu, 2018). Therefore, while AIIB is sometimes perceived as a new and alternative MDB, in practice it operates in ways that are highly similar to established MDBs such as the World Bank, following familiar mechanisms and aligning closely with existing development finance norms.

1.1.2 AIIB and Green Finance

AIIB also serves as a good case to study the greening of MDBs.

The last decade has seen the important role played by MDBs in directing financial resources to support climate action. MDBs, in essence, operate in a self-financing way—they borrow most of their money from the global private markets and then lend it to their clients for various development projects (Humphrey, 2016, 2019; Kellerman, 2019; Marois, 2021). This nature has made MDBs increasingly essential in closing the financial gap and redirecting resources from richer to poorer countries in an age of climate change and green energy transition (Anantharajah and Setyowati, 2022; Ha et al., 2016; Xie et al, 2023).

Indeed, in today’s world, more than twenty-five MDBs are working with private capital to provide financial resources for climate change mitigation and adaptation (henceforth mitigation and adaptation) projects around the world (Humphrey, 2019). According to the Organisation for Economic Co-operation and Development (OECD), from 2016 to 2020, more than 40 per cent of the public climate finance accomplished was supported by MDBs, multilateral climate

funds, and other multilateral organisations (OECD, 2022). In 2022 alone, the overall MDB climate finance reached USD 60.9 billion for low- and middle-income countries (Table 1.1).

Table 1.1 MDBs' Climate Finance in Low- and Middle-income Economies (2019–2022)
(in USD billion)

MDB	2020	2021	2022
WB	21.3	28.0	31.7
ADB	5.3	3.9	7.1
AIIB	1.1	2.7	2.3
NDB	2.5	4.8	5.9
Others	7.8	11.3	13.9
Total	38.0	50.7	60.9

Sources: (MDB, 2023)

Among these institutions, AIIB stands out as a particularly useful case to examine the greening of MDBs, largely due to its clearly observable climate trajectory. Although established in 2016 as an infrastructure-focused bank, AIIB quickly embraced the climate agenda following the adoption of the Paris Agreement. Climate finance has become central to AIIB's identity and operations. By 2023, 60 per cent of its approved financing was allocated to climate-related initiatives, including both mitigation and adaptation projects (AIIB, 2024a). As Chapter 5 will show, AIIB's rapid strategic shift within less than a decade (2016–2024) offers a unique opportunity to study how MDBs formulate and implement climate strategies, and how they position themselves within the emerging field of climate finance.

There are two main explanations for why new MDBs like AIIB tend to exhibit prominent climate trajectories. On the one hand, as Finnemore (1996) argues, international norms shape the identities, interests, and behaviours of international organisations. New MDBs were established at a time when climate action had already emerged as a dominant norm within multilateral development finance (Park, 2006). Without deeply entrenched traditions to constrain them, new MDBs are arguably more flexible and better positioned to align with this trend. On the other hand, institutional isomorphism, as described by DiMaggio and Powell (1983), helps explain why organisations in the same field often converge around similar practices and ideas.

From this perspective, new MDBs like AIIB may adopt climate finance not only to follow global expectations but also to gain legitimacy, influence, and recognition within the existing development finance community.

1.1.3 AIIB and China

AIIB also offers an important lens through which to examine China's expanding global influence. As Chapter 4 will further demonstrate, despite having a multilateral governance structure and a market-based funding model, AIIB ultimately operates as an instrument of China's diplomatic and geopolitical influence. Questions surrounding AIIB are therefore closely intertwined with the broader complexities of China's rise on the global stage.

China's influence within AIIB can be observed in at least three significant ways (Table 1.2). First, although AIIB attracts a diverse range of investors, China remains its largest contributor, providing USD 29.78 billion in subscribed capital. Second, China is AIIB's largest shareholder, holding 26.6% of the total voting power on the Board of Governors, which gives it substantial influence over the bank's strategic direction and policy decisions (AIIB, 2024a). Third, China exerts considerable influence over AIIB's leadership and senior management, shaping the bank's everyday operations.

Table 1.2 Subscriptions Amount and Voting Power of AIIB's Main Shareholders

Member Country	Subscription Amount (USD million)	Percentage of Total	Total Votes	Percentage of Total
China	29,780.4	30.6%	299,829	26.6%
India	8,367.3	8.6%	85,698	7.6%
Russia	6,536.2	6.7%	67,387	6.0%
Korea	3,738.7	3.8%	39,412	3.5%
Australia	3,691.2	3.8%	38,937	3.5%
Indonesia	3,360.7	3.4%	35,632	3.2%

Sources: (AIIB, 2024a)

In the literature, AIIB has been widely debated as a symbol of China's growing role in global development finance. While some scholars view AIIB as part of China's broader effort to create an alternative to Western-led MDBs, others interpret it as a geopolitical instrument that allows China to expand its influence across Asia and other regions (Freeman, 2019; Gu, 2017). On one hand, AIIB is often framed as an attempt to address perceived gaps and limitations within the existing development finance architecture, particularly those dominated by the World Bank and ADB. From this perspective, AIIB represents an effort to offer a more flexible, responsive, and less conditional form of development finance, better aligned with the needs and priorities of developing countries, especially in Asia. Supporters of this view argue that AIIB brings much-needed capital for infrastructure development and regional integration, and that its emergence reflects legitimate demands from Global South countries for more inclusive and

representative financial institutions (Callaghan & Hubbard, 2016; Gu, 2017; Güngen, 2023; Reisen, 2015).

On the other hand, a significant body of scholarship sees AIIB as closely aligned with China's strategic interests, particularly in relation to the Belt and Road Initiative (BRI) and broader geopolitical ambitions. From this angle, AIIB is viewed not merely as a financial institution but as a key vehicle through which China advances its foreign policy goals, including securing access to critical infrastructure, natural resources, and political influence. The Bank's governance structure, where China retains the largest share of voting power, and its leadership dominated by Chinese officials, are often cited as evidence of Beijing's strong influence over AIIB's direction and decision-making processes (Akcadag Alagoz, 2019; Cai, 2018; De Jonge, 2017). Thus, AIIB is seen as a central part of China's statecraft, blending development finance with diplomatic and geopolitical considerations.

AIIB's green agenda has also been discussed through the lens of global politics. The MDB literature, along with studies in international relations, presents two overarching views on AIIB and its green agenda. First, AIIB is seen as a new source of climate finance for countries in the Global South, representing an attempt to reform the predominantly Northern-led development finance system (Gransow & Price, 2019; Gu, 2017) (also table 1.3 for why countries join AIIB). In this light, the bank is viewed as a 'developer' contributing to global green development. Conversely, AIIB is also frequently criticised as a geopolitical instrument for China to extend its influence within Asia and beyond. From this perspective, AIIB is seen as a 'challenger' to the established development finance structures, even as it positions itself as a humble player in the global green energy transition (Freeman, 2019; Stephen & Skidmore, 2019).

Table 1.3 Why Join AIIB

	Political	Economic
Developing Countries	Partnership with China; South-South cooperation	Infrastructure Needs; Good lending terms
Developed Countries (especially European stakeholders)	Geopolitical balancing (China/AIIB vs US/WB)	Access to Asian Infrastructure Market; Building trade ties

Sources: characterised from Section 3.1 in Chapter 3 and Section 4.2 in Chapter 4.

Recent MDB literature has increasingly examined AIIB's evolving green policies and green lending practices. For instance, Güngen's (Güngen, 2023) study on new MDBs' green lending in Turkey provides a dynamic view, suggesting that while these banks adopt strong green

rhetoric, their design and interpretation of mandates may lead them to ‘do business as usual’ and become the supporters of the ‘capitalist growth strategies’ of their borrowing countries and corporations. Other studies have critically assessed AIIB’s safeguard mechanisms and green lending policies at the institutional level (Qian et al., 2023; Shao et al., 2021).

Studying AIIB thus enables us to explore how a China-backed MDB mobilises, allocates, and governs resources, and how China translates its vision of ‘green development’ into concrete practices. More critically, it sheds light on how China may leverage the ideas and practices of ‘green development’ to extend its control over emerging natural resources, such as solar and wind energy, and strengthen its political presence both regionally and globally (Ferguson, 1990; He and Feng, 2019).

1.2 The Questions of MDBs’ Green Agenda

By nature, development banks look for investment opportunities. More critically, they guarantee and safeguard investment for states and private sectors (Clark & Dolan, 2021; Humphrey, 2017). As development finance expands into the climate arena, development banks turn ‘green’ too.

However, MDBs like AIIB are complex institutions with broad mandates. This makes them difficult to study. Even within climate finance, their activities span many sectors and regions. This makes it even harder to clearly define what their green agenda entails.

In this Section, I argue that MDBs’ green energy agenda constitutes a good entry point to study critically study them, especially in the context of climate change. I explain: (1) why MDBs’ green agenda has become mainly about ‘green energy transition’, and (2) what ‘green energy transition’ can tell us about MDBs.

1.2.1 The Turn to Energy: The Reconfiguration of MDB Green Agenda

Today, climate finance has become increasingly organised around the logic of green energy transition, particularly in the Global South. This reorientation reflects a broader shift in climate governance—from frameworks attentive to diverse development needs and structural inequalities, to approaches centred on technocratic solutions and investment efficiency (Sud, 2025). Where earlier climate debates accommodated a range of sectoral priorities—including

adaptation, livelihoods, public health, and ecological resilience—current financing practices increasingly prioritise projects that are measurable, bankable, and aligned with private capital (Dunlap et al., 2024; Sud, 2025). Green energy infrastructure—especially solar and wind—has emerged as the primary conduit for climate finance, not only due to its mitigation potential but because it offers predictable returns, clear metrics, and compatibility with existing financial and institutional models. As a result, energy transition has become the dominant terrain through which climate action is conceptualised and operationalised.

This consolidation around energy has come at the expense of other development priorities. Sectors such as agriculture, water systems, informal economies, or community-based adaptation now receive comparatively less attention and funding. Although discourses of inclusion and sustainability remain prominent in climate finance strategies, actual project portfolios reflect a narrower set of interventions, heavily concentrated in energy systems and grid modernisation (see the following paragraphs). Institutional incentives—particularly within MDBs—favour large-scale infrastructure projects that promise emissions reductions and financial leverage (Barrowclough et al., 2021; Humphrey, 2022). As Chapters 6 and 7 will show, in practice, this means that climate finance today functions less as a vehicle for holistic development and more as a pipeline for energy-centred growth, structured around the logics of investment and technical rationality.

This broader consolidation of climate finance around green energy transition is strongly reflected within the practices of MDBs. Over the past decade, MDBs have undergone a significant institutional realignment which restructured their climate strategies around emissions-focused infrastructure investment. The energy sector—responsible for nearly three-quarters of global greenhouse gas emissions—has become the principal frame through which MDBs define and deliver their green mandates (MDB, 2023). This is evident in the growing alignment between MDB operations and the implementation of the Paris Agreement, where nationally determined contributions (NDCs) are increasingly backed by MDB-financed renewable energy infrastructure, grid upgrades, and decarbonisation initiatives. MDBs not only fund these projects but also shape the policy environments around them—setting standards, advising on reforms, and creating enabling conditions for private capital. As such, MDBs are central actors in translating global climate ambitions into national energy transition pathways—pathways that often prioritise investor confidence over local development needs.

Recent financing trends confirm this sectoral reorientation. In 2023, MDBs committed \$13.73 billion—or 27% of their total mitigation finance—to energy-related sectors, surpassing transport (\$9.20 billion) and buildings and energy efficiency (\$5.78 billion) combined (MDBs, 2024). On the adaptation side, energy and infrastructure again dominated: \$6.36 billion (26%) of adaptation finance went to energy, transport, and other built-environment interventions, making it the largest single category (MDBs, 2024). These figures reflect more than a preference for energy—they point to a deeper institutional logic in which climate action is operationalised through large-scale, technically legible, and financially mobilisable infrastructure projects. The result is a narrowing of MDB climate portfolios around energy transition, often at the expense of more redistributive, locally grounded, or socially embedded development priorities.

Even new MDBs such as AIIB exemplify this pattern. Since its inception, AIIB has positioned energy at the heart of its green development agenda. Between 2016 and 2023, energy projects constituted 22% of its total portfolio—the highest share among all sectors. During this period, the bank approved 55 energy projects, compared to 43 in transport and just 15 in water (AIIB, 2024a). Other sectors, such as digital infrastructure, urban development, and health, remained marginal. Notably, energy investments grew steadily year on year, rising from four projects in 2016 to eleven in 2023, signalling not just commitment but strategic scaling. AIIB’s project pipeline reflects the broader MDB trend: energy is treated as a bankable domain that meets climate metrics while offering stable returns. This emphasis has reinforced a model of climate finance that privileges technical feasibility and financial viability over equity, participation, or systemic transformation. As subsequent Chapters will show, this model has concrete implications for how ‘green development’ is imagined and implemented on the ground.

In this context, focusing specifically on the energy dimension within MDBs’ green agenda is particularly valuable for this thesis.

1.2.2 The Effects of the Green Energy Transition

Development projects designed by states or development institutions often carry ecological, economic, and social implications for both human and non-human actors. MDB-funded projects, in particular, may produce adverse effects on individuals and communities (Moore, 1984; Wade, 2009). In the field of critical development studies, pioneering research has long

highlighted how traditional MDB projects—whether in transportation, agriculture, or education—have generated negative ecological, social, and political consequences for local communities, both in the short and long term (Moore, 1984; Wade, 2016a, 2016b). For instance, Wade’s influential studies on World Bank-funded projects in Qinghai, China, and Polonoroeste, Brazil, illustrate the complex and often harmful effects of such interventions on local populations (Wade, 2009, 2016a, 2016b).

Importantly, even when framed as ‘green’, MDB-supported projects can also generate adverse outcomes (Fahimi et al., 2022; Fischhendler et al., 2022; Lomax et al., 2023). There are increasing critical studies on the so-called ‘green energy transition’. Scholars have argued that a ‘local eco-development state’ may leverage the green transition to reshape governance structures and energy systems, advancing new models of economic development (Hu, 2023; Lin and Wang, 2023). Yet, as Yaffe and Segal-Klein’s (Hashimshony Yaffe and Segal-Klein, 2023) study of the Lake Turkana Wind Power Project in Kenya demonstrates, green energy projects can also reproduce or deepen existing inequalities, entrenching social, economic, and political divisions while capitalising on new natural resources, such as wind.

For new MDBs like AIIB, then, the key questions go beyond simply asking ‘why they turn green’ or ‘how they turn green’. It is equally critical to investigate what AIIB-funded green energy projects actually do on the ground—how they impact people, places, and institutions involved or affected by them.

More fundamentally, studies from various disciplines have underscored the long-term and often hidden consequences of development projects (Agrawal, 2005; Ferguson, 1990). Ferguson’s ethnographic study of a World Bank-backed rural development project in Lesotho (1975–1984) offers a foundational approach for analysing development interventions. He famously argues that while a development project may appear to serve developmental goals, it may ultimately serve power in ways unintended even by those who designed it: ‘A development project may well serve power, but in a different way than any of the ‘powerful’ actors imagined; it may only wind up, in the end, ‘turning out’ to serve power’ (Ferguson, 1990, p.255).

Following this line of critical inquiry, further research has revealed how notions such as ‘science’ (Mitchell, 2002), ‘justice’ (Goldman, 2005), ‘environment’ (Agrawal, 2005), and ‘development’ itself (Escobar, 1995) can become tools for dominant actors, including states

and MDBs, to expand bureaucratic control while avoiding the real issues that development projects are meant to address, such as political and social inclusion, livelihood security, and access to essential education. These development-related concepts often carry embedded knowledge and power that open new spaces for governance and legitimise power expansion (Escobar, 1995; Ferguson, 1990; Wade, 2002).

In a similar way, it remains unclear how the notion of ‘green energy transition’—as mobilised by MDBs—functions as a tool of MDBs and what long-term consequences it may generate on the ground. Just as critical scholars have examined how ideas like ‘science’, ‘justice’, ‘environment’, and ‘development’ can be appropriated to expand bureaucratic control and legitimise power, ‘green’ too should be studied as a concept that carries embedded assumptions and authority. Therefore, it is crucial to investigate not only the economic, ecological, and social effects but also the long-term political implications of MDB-financed green energy projects, in order to understand how ‘green’ may shape and reshape the power of MDBs and their creators.

1.3 Research Questions and Significance

In summary, this is a thesis focusing on AIIB. I offer a theoretically informed account of this new development bank, especially in the context of climate change and green energy transition. In doing so, the thesis speaks to broader critical development literature on MDBs, climate change and energy transition, and China.

1.3.1 Research Questions

In this thesis, I tell a story of how and to what extent AIIB, a newly established, China-backed, fast-growing MDB, achieves its promise of ‘greening development’. The story begins in Beijing, China, AIIB’s Headquarter, and narrows down in Zhanatas, Kazakhstan, where it built Central Asia’s at the time largest wind farm in 2019. To tell the story, I place AIIB in the context of ideas (what is abstract) and practices (what is on the ground) of ‘climate finance’ and ‘green energy transition’.

Three simple yet interconnected questions are at the heart of the thesis:

- (1) At the institutional level, how does AIIB approach the notion of ‘green’ and transform it into actual policy?
- (2) At the local level, how does AIIB implement its green agenda and what on-the-ground effects does it cause?
- (3) In the long term, to what extent and in what ways does ‘green’ depoliticise the expansion of AIIB and China?

These three questions are closely informed by—and in turn contribute to—the three strands of literature reviewed in Sections 2.1, 2.2, and 2.3. The first question, which asks how AIIB institutionally approaches and operationalises the notion of ‘green’, builds on Section 2.1. This Section surveys the growing body of work on AIIB and other MDBs, highlighting debates over institutional mandates, shareholder influence, and the role of China in shaping AIIB’s green frameworks. The second question, concerning the on-the-ground implementation and effects of AIIB’s green agenda, draws on the critical development literature discussed in Section 2.2. This body of work underscores the gap between policy intentions and project-level effects, particularly in terms of social and environmental outcomes. The third question is shaped by insights from a social science scholarship reviewed in Section 2.3, which interrogates how ‘development’ can serve as a vehicle for state power and depoliticisation. It is through this lens that the thesis explores how ‘green’ is deployed to promote AIIB’s (and by extension China’s) geopolitical reach. Together, the three research questions are not only grounded in the literature but also seek to extend them by examining how institutional narratives, local practices, and geopolitical ambitions intersect in the case of AIIB.

Two key concepts recur throughout this thesis: ‘green’ and ‘depoliticise’. First, despite its apparent clarity, ‘green’ is a highly contested term, particularly in the context of MDBs. In general, MDBs—including AIIB, the World Bank, and ADB—tend to frame ‘green’ in relation to global climate goals, such as the Paris Agreement, and the broader need to finance and facilitate the transformation of the global energy system. Since its establishment, AIIB has committed to being a ‘lean, clean, and green’ bank, with ‘green’ signalling its ambition to finance development projects that contribute to climate action and energy transition (AIIB, 2024d, 2024b; Gu, 2017). Other MDBs deploy related terms, such as ‘green infrastructure’, ‘climate finance’, and ‘green energy transition’, to categorise their climate, energy, and environmental objectives (Güngen, 2023; Michaelowa et al., 2021; World Bank, 2025).

In this thesis, I use ‘green’ to summarise the bank’s efforts to integrate climate considerations into its development finance. Specifically, the ‘green agenda’, as I will mention a lot, refers to a set of institutional commitments, strategies, and policies aimed at embedding climate action and energy transition within AIIB’s broader development mandate. However, even with these relatively clear definitions, ‘green’ is not a fixed category. As I will show in Chapters 4 and 5, ‘green’ also offers a form of flexibility to bank officials that enables them to select ‘bankable’ and ‘profitable’ development projects. Furthermore, as Chapters 6 and 7 demonstrate, ‘green’ functions as a tool of institutional and geopolitical positioning when projects are implemented on the ground. More importantly, as Section 6.2.2 and Section 7.3.1 reveal, even within AIIB’s Beijing headquarter and within AIIB’s Zhanatas project, different actors have different and sometimes contradictory understandings of the meanings and applications of ‘green’. Thus, throughout the thesis, I treat ‘green’ not as a given but as a contingent and evolving category (Andreucci et al., 2023; Dunlap et al., 2024).

Second, in critical development studies, ‘depoliticisation’ refers to the process by which inherently political conflicts are framed, managed, or presented as technical, neutral, or purely administrative matters (Chhotray, 2007; Ferguson, 1990). In the context of MDBs, ‘depoliticise’ means obscure or remove the political nature of decisions about which regions to prioritise, which projects to fund, whose interests are prioritised, and what environmental and social trade-offs are accepted. In this thesis, ‘political’ refers to decisions about who benefits, who bears costs, and whose priorities shape development outcomes, especially in a specific ‘climate finance’ and ‘energy transition’ project (Avila et al., 2022; Dunlap, 2018; Dunlap & Arce, 2022). I use ‘depoliticisation’ to describe how AIIB’s green agenda is often framed as a set of technical solutions to climate change—such as investments in green energy—rather than as contested political choices involving different visions of development, competing interests, and unequal outcomes.

As I show in Chapters 4 and 5, bank officials and policy documents frequently present ‘green’ as a neutral, expert-driven, taken-for-granted goal. Yet, the (geo-)political struggles and conflicts embedded in the bank’s pivot towards climate finance and energy transition can be often neglected. Also, as Chapters 6 and 7 illustrate, these political and geopolitical dimensions re-emerge when projects are implemented on the ground, where local conflicts, interests, and contestations complicate the bank’s investment. However, once again, the struggles and conflicts, which should be at the centre of the policy discussions, are somehow ‘silenced’. Thus,

throughout the thesis, ‘depoliticisation’ captures how AIIB’s green agenda appears neutral and technical while concealing the power struggles that underpin development finance.

1.3.2 Research Significance

In addition to filling an empirical gap in AIIB literature directly, this thesis makes three broader contributions.

First, for the MDB literature, the focus on AIIB enables a shift away from analyses of mainstream and Northern-led MDBs—such as the World Bank and ADB—and offers a perspective on new multilateral institutions—such as AIIB and NDB (Güngen, 2023; Kring & Gallagher, 2019). These emerging institutions are significant not only because of the additional resources they provide but also due to their increasingly essential role in climate finance and the global energy transition (Barrowclough et al., 2021; Ray & Kamal, 2019). The focus on alternative MDBs is a must for MDB literature. Meanwhile, at its core, this thesis is an interrogation on the politics of AIIB. While scholars have examined AIIB’s rapid growth from a macro perspective, I build on their insights to explore in greater depth the bank’s green dimensions. I do this not only by investigating AIIB’s institutional approach to climate finance and energy transition but also by tracing one of its green projects to the ground in southern Kazakhstan. Thus, even within the specific field of AIIB studies, this thesis offers groundbreaking empirical and conceptual insights.

Second, for critical development literature, the thesis advances our understanding of MDB green agenda by revealing their depoliticising effects (Ferguson, 1990). AIIB-financed Zhanatas wind project, analysed in Chapters 6 and 7, is a sign of MDB engagement in the global energy transition to address climate change. Yet, as I demonstrate, even well-intentioned green energy projects can reinforce ecological, social, and political inequalities at the local level. More importantly, for critical development studies and critical energy studies, the thesis shows that green agendas—often framed as technical and neutral—can also serve to depoliticise and justify the expansion of MDBs and the broader geopolitical interests of their member states (Lin & Wang, 2023; Siamanta, 2019; Zeng, 2024). My findings then relates directly to the interdisciplinary critiques of how the development apparatus can function to legitimise bureaucratic and institutional power (Escobar, 1995; Ferguson, 1990; Mitchell, 2002). In doing so, the thesis extends debates on the politics of development and climate

finance.

Third, this thesis represents the first critical, bottom-up, multi- and intra-disciplinary study of AIIB, a China-backed multilateral institution. While scholars have examined the fragmented and decentralised nature of China's global engagements, there has been little substantive empirical research that explores China-backed institutions from within, examining how exactly 'Chinese influence' is mobilised, contested, and operationalised (Jones & Zeng, 2019; Jones & Zou, 2017; Ye, 2021). Significantly, this thesis argues that to understand China's global influence, we must move beyond macro-level analyses and engage with the complexities underlying official discourses and data.

1.4 Research Case

While Chapter 3 will elaborate on the case selection and methods employed to answer the research questions, here I offer a clarification of the nature of my research.

In addressing these questions, I draw on substantive fieldwork conducted across 2023 and 2024. Over ten months, I carried out multi-sited fieldwork in Beijing, Almaty, and Zhanatas, focusing on the green dimension of the bank as it materialises not only as ideas, policies, and frameworks but also as concrete projects, deals, and relationships. Fieldwork in Beijing enabled me to examine, at the institutional level, how 'green' is imagined and operationalised. However, it is only by following a specific wind energy project to the ground in Zhanatas and Almaty that I was able to observe the critical factors shaping AIIB's green agenda in practice. While not identical, my approach is close to what scholars describe as multi-sited ethnography—an effective method for studying complex networks in a globalising world. As scholars have emphasised, the essence of this method is 'to follow people, connections, associations, and relationships across space' (Burawoy, 1998). As the empirical Chapters (Chapters 4, 5, 6, and 7) demonstrate, multi-sited fieldwork allows me to connect—empirically and theoretically—the dispersed phenomena underpinning AIIB's evolving green agenda.

This Section offers a concise overview of the research case.

Zhanatas, which means ‘newly found rocks’ in Kazakh,³ is the administrative centre of an industrial area in southern Kazakhstan’s Zhambyl Region. Sitting on the north of the Karatau slopes, the Soviet-style town has a population of around 24,000 (Open Democracy, 2021) and is surrounded by rocky hills. The Zhanatas population relies for its livelihood mainly on two things: traditional pasturing economies, and phosphate-extractive industries. Many see Zhanatas as characterized by ‘geographical remoteness’ and ‘social backwardness’, or as some say, ‘wasteland’.⁴

Figure 1.3 The Geographical Location of Zhanatas



Note: The pin on the map represents the location of Zhanatas.

Source: The World Factbook, Kazakhstan (<https://www.cia.gov/the-world-factbook/countries/kazakhstan/map/>)

³ Interviews with QJ, one of the leaders of the Zhanatas town and BJ, an energy official in Zhanatas, Zhanatas Wind Farm and Zhanatas town, April 2024.

⁴ Interviews with MN (a local driver), MD (a shop owner), OM (a project technician) and WM (a local official), Zhanatas Wind Farm and Zhanatas town, May and June 2024.

Following the collapse of the Soviet Union, Zhanatas experienced severe poverty, unemployment and disease. Between 1996 and 1999, a major famine resulted in significant mortality. Cats and dogs reportedly disappeared from the streets because they were the ‘only affordable source of meat’ (OpenDemocracy, 2021). The area also endured an outbreak of tuberculosis lasting until 2007, with lingering health impacts. According to the Republic of Kazakhstan’s Ministry of National Economy, Zhambyl Region was the poorest state in the country in 2015, with a poverty rate of 36 per cent (see World Bank Group, 2018a). This poverty is closely linked to high unemployment rates, with nearly half of the jobs in Zhambyl and neighbouring South Kazakhstan Region being classified as unproductive self-employment (see Table 1). Additionally, educational attainment is markedly lower in these areas; for instance, while over 90 per cent of youth in Astana and Almaty undertake some level of higher education, less than 50 per cent achieve this in Zhambyl and South Kazakhstan (OECD, 2017; World Bank Group, 2018a). Media reports also point out that Zhanatas has well-documented disparities, conflicts and uprisings, reflecting the local state’s rapidly declining authority and credibility (Open Democracy, 2021).

Table 1.4 Poverty and Unemployment in Zhambyl in Comparative Perspective

Region	Population 2014 (million)	Poverty Rate 2015 (US\$ 5/day) (%)	Self-employment,	Public Sector
			2016 (%)	Share of Wage Employment, 2015 (%)
Almaty	2.0	11.8	27.1	52.2
Zhambyl	1.1	36.0	44.7	63.5
Atyrau	0.6	11.1	10.2	30.4
Aktobe	0.8	24.3	18.5	36.8
Karaganda	1.4	18.6	9.5	38.1
Astana City	0.8	7.9	5.1	28.4

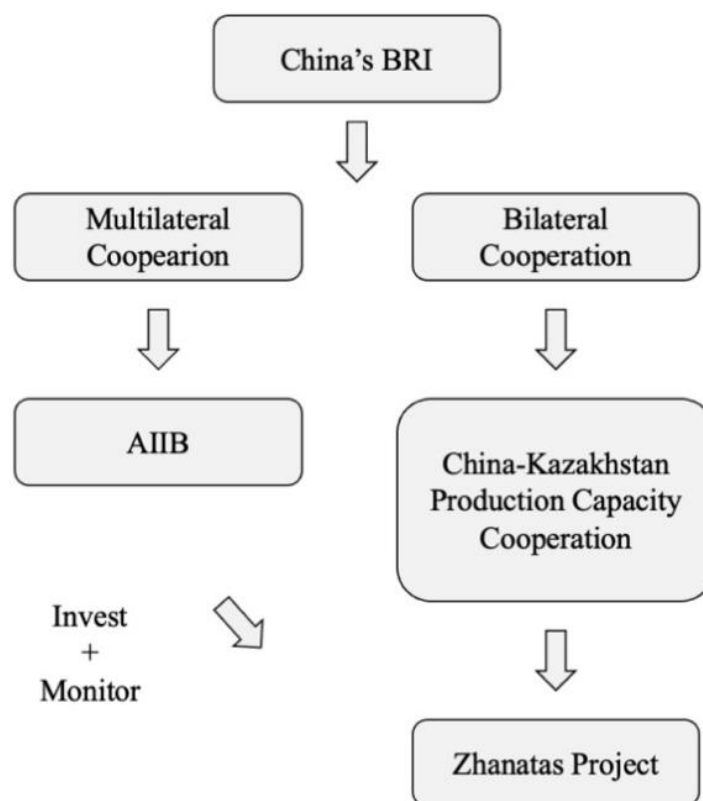
Source: World Bank Group (2018a)

However, this situation changed in the latter part of the 2010s, with the construction of the Zhanatas 100 MW Wind Power Plant. Located on a steppe 10 km away from Zhanatas town, the power plant was Central Asia’s largest wind farm at the time (AIIB, 2019b). Once completed, it was expected to reduce carbon dioxide emissions by nearly 300,000 tons a year and to power one million households in Kazakhstan with green electricity (Xinhua, 2021). The ultimate goal behind the project, according to the investors, was to deliver ‘clean electricity generation of approximately 319 GWh per annum and contribute to the renewable energy

development in Kazakhstan’ (CPID, 2021). Meanwhile, it would also ‘greatly alleviate the power shortage in southern Kazakhstan’ (ibid.). The design phase for the power plant began in 2015.

However, the project to ‘capture the wind’ in Zhanatas should be seen as an international effort. In 2013, China announced the ambitious Belt and Road Initiative (BRI), its massive infrastructure and development project (BRI Portal, 2024; Council on Foreign Relations, 2023). The aim of the BRI was to improve connectivity and cooperation between East Asia and Europe through physical infrastructure. In the following decade, the project expanded to Africa, Latin America and Oceania, representing what western thinktanks refer to as ‘an unsettling extension of China’s rising power’ (Council on Foreign Relations, 2023). According to the World Bank, by 2018 the BRI included countries and regions that account for more than one-third of world trade and global GDP, and over 60 per cent of the world’s population (World Bank Group, 2018b).

Figure 1.4 The Zhanatas Project under China’s BRI



China's BRI manifests both as a multilateral framework and a set of bilateral engagements. It has spurred the creation of various multilateral partnerships, investment funds and development banks, such as the Asian Infrastructure Investment Bank (AIIB), to promote financing and development across participating countries. At the bilateral level, the BRI operates through China's direct agreements with individual countries, tailored to meet their specific development needs. These agreements often include the construction of critical infrastructure projects such as roads, railways, ports and energy systems. In practice, the BRI's multilateral and bilateral components often complement each other to enhance the initiative's overall impact. The Zhanatas Wind Power Plant was added to the BRI 'basket' in 2016, and was developed within this broader context (see Figure 1.4). In 2018, legal documents were signed; construction began in 2019 and was completed in 2021.

Figure 1.5 Relations behind the Zhanatas Project

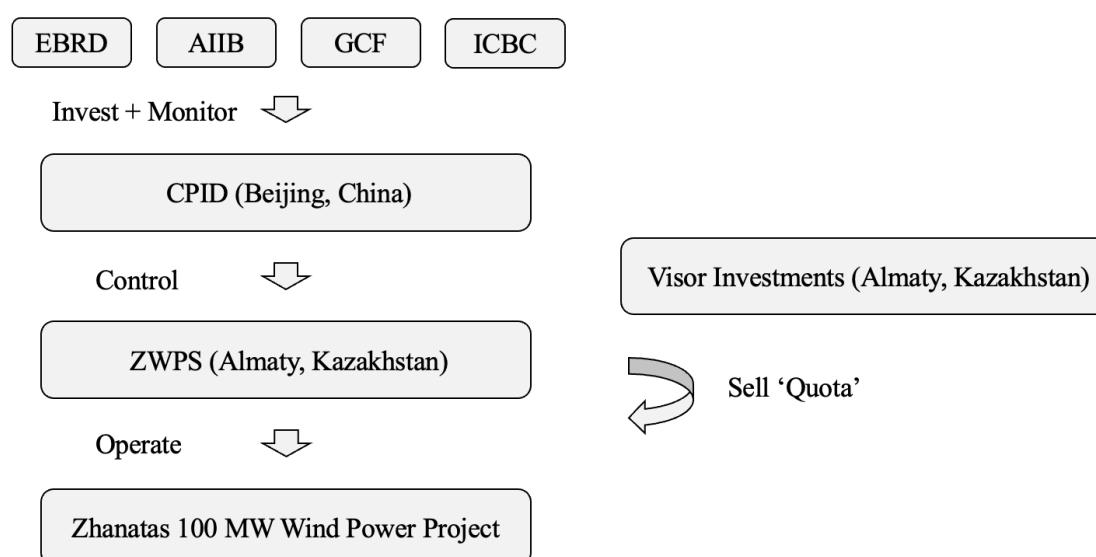


Figure 1.5 illustrates the network of relations behind the Zhanatas Wind Power Plant. While the main investor is AIIB, it is owned by a China-backed company registered in Almaty, Kazakhstan (referred to here as Zhanatas Wind-Power Station LLP, ZWPS), which holds 80 per cent, and a major Kazakh energy company (referred to here as Visor Investments), which holds 20 per cent (AIIB, 2019b). ZWPS and its Chinese parent company, China Power International Development (CPID), one of the largest power utility conglomerates in the world, borrowed the money from four institutions: (a) the European Bank for Reconstruction and

Development (EBRD); (b) AIIB; (c) Green Climate Fund (GCF), the world's largest climate fund; and (d) the Industrial and Commercial Bank of China (ICBC), the largest bank in the world (GCF, 2017). Here, ICBC, CPID, and ZWPS are all Chinese state-owned enterprises (SOEs).⁵ AIIB, as Chapter 4 and Chapter 5 will argue, should also be seen as Chinese, or at least, quasi-Chinese. Visor Investments is a fully Kazakh company.

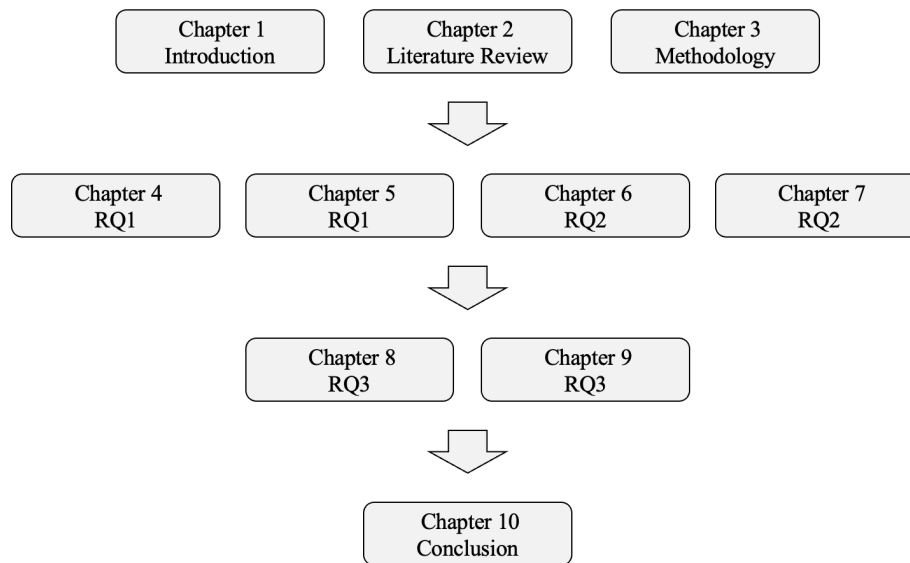
I would argue that, as a result, Zhanatas emerges not merely as a geographical location in which a large-scale energy transition project has been built: it can also be seen as: (a) a geostrategic region in which a rising power aims to project its influence; (b) a political territory where the state seeks to extend its power and control; (c) a social and economic domain in which local authorities need to restore their accountability and credibility.

1.5 Chapter Plan

Having outlined the core research questions, significance, and methods, the argument proceeds as follows.

⁵ Chinese state-owned enterprises (SOEs) are commercial entities but ultimately controlled by the Chinese state. Many are overseen by the State-owned Assets Supervision and Administration Commission (SASAC), a central body under the State Council, which appoints senior executives and directs overall strategy. In recent years, the Chinese Communist Party has strengthened its influence within SOEs by embedding Party committees into corporate governance structures, often giving them authority over key decisions. As such, Chinese SOEs operate at the intersection of commercial logic and state-driven strategic priorities, making them important instruments of Party-state policy both domestically and overseas.

Figure 1.6 Research Questions and Chapter Plan



In Chapter 2, I engage with broader literature concerned with AIIB and the greening of MDBs. Specifically, the thesis reviews three bodies of literature: (1) MDB literature on AIIB, with an emphasis on its green policymaking; (2) critical development literature, particularly regarding the effects of MDB-funded projects; and (3) broader social science literature, focusing on how ‘development’ apparatus can serve to legitimise bureaucratic power. Based on the review of the literature, I argue that three research gaps can be identified. It is on these grounds that this study aims to further the scholarly debates.

In Chapter 3, I outline the methodological framework adopted to examine AIIB’s green agenda and its implementation on the ground. The Chapter is structured around three core components: (1) the rationale for selecting the Zhanatas Wind Power Project as a flagship case, based on its scale, visibility, and entanglement with Chinese development finance; (2) the qualitative methods employed—elite interviews, in-depth interviews, participatory observation, and document analysis—conducted across two stages of fieldwork in Beijing and Kazakhstan; and (3) the ethical and epistemological challenges encountered, including issues of access, language, representation, and researcher positionality. These methodological choices are grounded in a commitment to inductive, field-based inquiry. They aim at capturing the complex institutional and social dynamics that shape AIIB’s green practices.

Following the preparations in Chapters 1, 2, and 3, I turn to the empirical analysis of the thesis in Chapters 4, 5, 6, and 7. I examine how ‘green’ is imagined, conceptualised, and translated into policy within the bank, before tracing one of its flagship green energy projects to the

ground in Zhanatas, Kazakhstan. In general, Chapters 4 and 5 draw on my fieldwork in Beijing and address the first research question, focusing on how AIIB constructs its green agenda at the institutional level. Chapters 6 and 7, based on fieldwork in Kazakhstan, respond to the second research question by analysing how AIIB's green commitments are realised, contested, and reshaped in practice, as well as what effects they have made. Finally, in Chapters 8 and 9, the thesis explains the extent and ways in which 'green' can depoliticise the institutional and geopolitical expansion of AIIB and China.

Chapter 4 introduces AIIB as an institution. It provides essential context for the analysis that follows. It examines the bank's governance, funding, and mandate, as well as its institutional design and the constraints and opportunities this creates. The Chapter outlines what AIIB can and cannot do, exploring how its internal organisation and position within the wider multilateral development landscape shape its operations. This Chapter sets the stage for later discussions by offering readers a clear understanding of AIIB's institutional structure before turning to more focused analysis of its green agenda and green policies.

Building on this analysis, I argue that AIIB is not only an multilateral bank as it claims to be, but also a vehicle for China's financial, diplomatic, and geopolitical aims. Like other MDBs shaped by dominant shareholders, AIIB reflects the interests of its principal backer, though with distinctive 'Chinese characteristics'—including large financial reserves, pragmatic decision-making, and alignment with regional infrastructure needs. These features have attracted both European shareholders and Southern borrowers. Chapter 4 thus lays the foundation for understanding how AIIB's institutional design shapes its green agenda, addressing both how 'green' is conceptualised and how it is used to legitimise AIIB's and China's expansion.

Chapter 5 takes readers step by step through a critical analysis of AIIB's rapid rise and shifting institutional identity. The Chapter has three main aims: first, to trace AIIB's strategic shift toward climate finance and its transformation into a global MDB; second, to examine how the bank conceptualises 'green development' and translates this into concrete policies; and third, to analyse the factors driving this strategic shift. Together, these elements address the first research question on how AIIB approaches the notion of 'green' and integrates it into its institutional practices.

In this Chapter, I argue that the notion of ‘green development’ has enabled AIIB to engage with mainstream MDBs and promote its expansion. By embedding ‘green’ as a core value and repositioning itself as a climate-focused bank from 2019 onward, AIIB has extended its influence globally. Through this alignment with mainstream development discourse, AIIB has transformed from a ‘regional’ and ‘infrastructure’ bank into a prominent ‘global’ player in ‘climate finance’. This argument also speaks to the third research question, exploring the extent to which and the ways ‘green’ can depoliticise the expansion of AIIB and China.

Chapter 6 turns to the first half of the second research question: how AIIB implements its green agenda on the ground. It critically examines AIIB’s flagship green project in Central Asia—the 100 MW Wind Power Plant in Zhanatas, Kazakhstan—by tracing the full life cycle of the project, from initial conception to operational realisation. Based on multi-sited fieldwork in Beijing (August 2023–February 2024) and Zhanatas (March 2024–June 2024), I explore both how AIIB positions itself as a green financier and how this vision translates into local realities. By following this specific project, the Chapter demystifies AIIB’s engagement with green finance and reveals how the bank’s overarching green agenda is shaped and contested in practice.

I argue that AIIB’s implementation of its green agenda is fragmented, decentralised, and shaped by a network of actors, including state, quasi-state, and non-state institutions, many of them embedded in China-led or China-backed initiatives. Although AIIB presents itself as a neutral and multilateral institution, the delivery of its green project in Zhanatas reflects China’s broader geostrategic interests. Rather than a coherent strategy, AIIB’s green investments are marked by competing institutional agendas. Yet, despite these tensions, they collectively reinforce AIIB’s green narrative and China’s influence on the ground. This Chapter therefore moves beyond AIIB’s official discourse and lending data to examine how green and climate finance initiatives are translated, negotiated, and contested in practice, offering critical insights into how ‘green’ is implemented through AIIB’s operations.

Chapter 7 addresses the second part of the second research question: what on-the-ground effects AIIB’s green agenda produces. Focusing on the direct experiences and changes in Zhanatas, where the wind farm has been built and is operational, I examine both immediate project effects—ecological, social, and economic—and longer-term consequences, drawing on Ferguson’s (1990) notion of ‘instrumental effects’. While immediate effects concern tangible

project impacts, longer-term consequences reveal the broader political and geopolitical implications of AIIB's green engagement.

I argue that AIIB's green agenda generates both direct effects and profound long-term consequences that are often overlooked by the bank. Although wind energy is captured and transformed as a renewable resource, local communities and ecologies remain marginalised and vulnerable. Moreover, the Zhanatas project operates as a strategic entry point for AIIB's expansion in Central Asia. Clearly, while enabling the bank to engage with MDBs and promote its expansion, 'green' can depoliticise highly political issues embedded in the bank's projects, as supported by evidence in Zhantas. These findings demonstrate that while AIIB promotes green energy, the underlying unequal dynamics of resource exchange persist, raising critical questions about who ultimately benefits from MDB-led green transitions.

Chapter 8 and Chapter 9 are the discussion Chapters. They theorise my empirical findings based on the Beijing fieldwork and the Kazakhstan fieldwork, and answer the third research question.

Chapter 8 draws together the insights from previous Chapters to reflect on AIIB as a lens for understanding MDBs' green turn. I theorise the depoliticising effects of MDBs, especially in the context of climate change and green energy transition. This includes: (1) the mobilisation of global crises (climate change) to generate investment opportunities; (2) the creation of seemingly multilateral yet China-centred institutions; and (3) the deployment of green agenda to depoliticise exploitation. The theorisation developed in Chapter 8 suggests that while the thematic focus of MDB agendas may evolve, the underlying logic of depoliticisation remains consistent. The results are often the financialisation and technocratisation of real development problems, dependent on the specific context.

Chapter 9 uses AIIB as an analytical lens to examine China's international expansion. The Chapter identifies and analyses three interrelated factors that underpin China's use of AIIB to extend its reach: (1) the notion of 'green', which allows China and AIIB to align with dominant development (climate) discourses; (2) the institutional architecture, including AIIB and key Chinese state-owned enterprises (SOEs), which together operationalise China's development and infrastructure ambitions; and (3) capacity, referring to China's extensive financial resources and diplomatic leverage. By unpacking these factors, the Chapter highlights how

AIIB's green agenda serves not only developmental goals but also China's broader geopolitical strategy. More importantly, the Chapter captures how China extends its influence globally through interconnected conceptual, institutional, and material strategies.

While Chapters 8 and 9 develop a broader theoretical and interpretive argument, their claims are grounded in a deliberately bounded case-study approach. The analysis does not seek to offer a comprehensive or universally applicable account of all MDBs or China's overseas activities. Rather, AIIB and the Zhanatas project are used as analytically strategic cases through which to examine how 'green' operate as political technologies within the ongoing development finance. The value of this approach lies in generation of conceptual insights based on rich empirical engagement with a case rather than empirical representativeness (Burawoy, 1998). Consequently, as Chapter 3 points out, the findings should be read as offering conceptual insights into the politics of green development and MDB expansion, rather than predictive claims about outcomes in all cases or settings.

Chapter 10 concludes the thesis by revisiting the core research questions, synthesising the main arguments, and outlining the study's broader contributions. First, it directly answers the research questions posed in Chapter 1, offering a systematic reflection on how AIIB conceptualises and operationalises its green agenda, how this agenda is implemented and contested on the ground, and how 'green' could potentially depoliticise AIIB's and China's expansion. Second, the Chapter reiterates the main arguments, emphasising the dual effects of AIIB's green agenda.

In addition, Chapter 10 reflects on the contributions of the thesis, highlighting how it advances MDB literature, critical development studies, and the classical social science literature on 'development'. It also discusses policy implications, particularly for how MDBs and their stakeholders should engage with climate finance and green energy in ways that are sensitive to local contexts and power asymmetries. Finally, the Chapter reflects on avenues for future research, including further ethnographic and critical investigations into the evolving roles of new MDBs like AIIB in shaping global development and climate agendas.

Chapter 2 Thematic Literature Review

In this Chapter, I establish the theoretical foundations of the thesis. The thesis critically investigates how AIIB conceptualises and operationalises ‘green development’ and explores the diverse impacts of its green agenda in practice. Addressing the research objectives, the thesis engages critically with three distinct bodies of literature: (1) literature on AIIB from MDB studies and international relations (IR), emphasising the bank’s green policy-making; (2) critical development studies, particularly concerning the on-the-ground effects of MDB-funded projects; and (3) social science scholarship on ‘development’, focusing on how ‘development’ might legitimise bureaucratic power of states and state-backed development institutions.

Broadly, the three bodies of literature reviewed in Sections 2.1, 2.2, and 2.3 map directly onto the three core research questions posed by this thesis. The first body, which explores AIIB within the broader field of MDB studies and international relations, underpins the first research question: how AIIB conceptualises ‘green’ development and translates it into institutional policy. This question is examined in Chapters 4 and 5. The second body, drawn from critical development studies, informs the second research question concerning how AIIB implements its green agenda and the social, economic, and environmental effects of its projects on the ground, as explored in Chapters 6 and 7. The third body of literature, which engages critical perspectives on development and power, supports the third research question: to what extent and in what ways the discourse of ‘green’ depoliticises AIIB’s institutional and geopolitical expansion. This question cuts across Chapters 5 and 7. In this way, the literature review not only grounds each research question theoretically but also structures the empirical analysis that follows.

Based on this review, I identify three key research gaps that form the foundation of my analysis of AIIB within the contexts of climate finance and green energy transition. Clarifying these gaps further highlights the contributions of this thesis.

Section 2.1 reviews scholarship positioning AIIB as either a ‘challenger’ or ‘developer’ and introduces emerging debates on its green agenda. Section 2.2 engages development studies to examine the social economic, and ecological impacts of MDB-funded projects beyond the project level. Section 2.3 explores how development narratives legitimise and depoliticise

bureaucratic power within MDB and state practices. Section 2.4 identifies three key research gaps this thesis addresses. Section 2.5 summarises the Chapter's contributions to MDB studies, energy transition, and critical development literature.

2.1 AIIB and Its Green Agenda

Section 2.1 serves as a theoretical foundation for addressing my second research question: At the institutional level, how does AIIB approach the notion of 'green' and transform it into actual policy?

Academic discussions about the nature, design, and limitations of AIIB began even before its formal establishment in 2016 (Hamanaka, 2016; Reisen, 2015; Ren, 2016). Since 2016, AIIB has increasingly drawn scholarly attention from both MDB studies and IR fields. This Section reviews literature that positions and explains AIIB, with a particular emphasis on exploring its evolving green agenda.

2.1.1 Positioning AIIB

MDB and IR scholarship on AIIB have broadly coalesced around two dominant perspectives. The first perspective positions AIIB as a 'challenger' institution, fundamentally 'revising' established global economic governance norms championed by existing MDBs, particularly those influenced heavily by Western countries. Scholars adopting this view contend that AIIB symbolises China's ambition to reshape the global development finance landscape, promoting norms and practices aligned more closely with Chinese strategic and economic interests (Liang, 2021; Stephen & Skidmore, 2019). Here, AIIB is perceived as a deliberate response by China to the perceived inadequacies and inefficiencies of existing institutions, such as the World Bank and the ADB (Barrowclough et al., 2021; Humphrey, 2022).

Alternatively, a second group of scholars views AIIB not as an outright challenger but rather as a complementary 'developer' aligned with existing frameworks and norms of international development finance institutions. According to this perspective, AIIB's operational practices and governance structures demonstrate significant alignment with established multilateral frameworks (Callaghan & Hubbard, 2016; Gu, 2017; Kaya et al., 2021; Wang, 2019). Specifically, the bank adopts international standards related to transparency, sustainability, and governance that closely resemble those of existing MDBs (Humphrey, 2016). Supporters of

this view also emphasize AIIB's partnerships and co-financing agreements with established MDBs, highlighting instances of conformity rather than conflict (Cammack, 2018).

Further deepening this analytical divide, those adopting the challenger perspective frequently cite AIIB's distinctive decision-making processes, which grant substantial voting power and informal influence to China, as evidence of China's strategic intent to leverage multilateral lending as a geopolitical tool (Cai, 2018). In contrast, scholars emphasising AIIB's developmental orientation often highlight how the bank has adapted swiftly to international best practices by engaging experienced personnel from other MDBs and prioritising project-level cooperation and harmonisation of standards (Bin, 2019; Gu & Liu, 2022). In general, they frame AIIB as an inclusive institution reinforcing existing norms rather than undermining them (Chin, 2016; Humphrey, 2020).

More specifically, these two analytical frames—challenger and developer—also inform differing interpretations of AIIB's environmental and social safeguard policies. While critics assert that AIIB offers diluted standards compared to Western-led MDBs, reflecting a deliberate challenge to dominant norms (Liang, 2021; Zhao, 2020), others counter this critique by pointing to tangible evidence of AIIB's substantial compliance with global standards, particularly visible in its adoption of environmental and social frameworks modelled on best practices from existing MDBs (Knoerich & Urdinez, 2019; Radavoi & Bian, 2018; Ransdell, 2019). Furthermore, discussions surrounding AIIB's project lending highlight contrasting evaluations of geopolitical motivations versus pragmatic developmental strategies. Proponents of the challenger perspective often view AIIB's infrastructure investments, particularly under China's BRI, as strategic manoeuvres aimed at expanding Chinese geopolitical influence (Qian et al., 2023). Conversely, advocates of the developmentalist view underscore AIIB's pragmatic focus on infrastructure development across Asia, emphasising that projects frequently align closely with the priorities and standards of existing MDBs, suggesting cooperative rather than adversarial interactions (Shao et al., 2021; Zhao, 2020).

Here, central to these competing views is a fundamental debate concerning the nature of AIIB's institutional identity: whether it is predominantly a 'Chinese' instrument serving national strategic objectives or a genuinely 'multilateral' organization adhering to broader international standards. Scholars emphasising its 'Chinese' nature underline the structural and informal control exerted by Beijing, particularly through its dominant voting share, arguing that the

institution is merely an extension of China's statecraft (He & Feng, 2019; Liang, 2021; Stephen & Skidmore, 2019). Conversely, literature emphasising its 'multilateral' character highlights AIIB's diversified membership, operational transparency, and compliance with international norms, suggesting that AIIB functions within, rather than outside of, existing multilateral frameworks (Bin, 2019; Gu, 2017; Kaya et al., 2021).

Consequently, literature from both MDB studies and IR frameworks increasingly indicates that AIIB should be approached as an evolving institution, one undergoing constant adaptation to both internal strategic priorities and external normative pressures. Rather than static classifications—whether as a 'challenger', 'developer', 'Chinese', or 'multilateral'—it is more accurate to conceptualise AIIB as existing in practice.

Thus, the ongoing scholarly debate around AIIB has started to move beyond simplified dichotomies, advocating instead for detailed empirical scrutiny. The real scholarly challenge lies in substantiating arguments regarding AIIB's institutional character and operational behaviour through concrete evidence rather than abstract macro-level theoretical discussions. Recent scholarly work increasingly calls for empirical examinations of AIIB's actual practices (Barrowclough et al., 2021; Güngen, 2023; Kring & Gallagher, 2019). These include analyses of its project lending portfolios, environmental and social safeguard implementations, internal decision-making structures, and external collaborative engagements with other MDBs. Through detailed, evidence-based inquiry, scholars can more accurately explore AIIB's institutional trajectory and effectively address whether its evolution leans more strongly towards multilateral alignment or national strategic agendas.

2.1.2 Explaining AIIB

Insights from classical MDB studies help to contextualise AIIB debate by highlighting a persistent institutional ambiguity found in all MDBs, both new and old. Scholarship on MDB identifies a significant tension between the financial imperatives imposed by capital markets and the strategic interests of founding member countries (Clark & Dolan, 2021; Humphrey, 2016; Humphrey & Michaelowa, 2013; Woods, 2006). For instance, Humphrey's (Humphrey, 2016) examination of MDBs provides a critical analytical framework, highlighting how reliance on private capital markets shapes these institutions' governance structures, lending practices, and developmental outcomes.

On the one hand, MDBs traditionally raise operational funds by issuing bonds in international capital markets. This means that they have to keep consistently high credit ratings to secure favourable borrowing conditions. As a result, MDBs often adopt conservative financial strategies focused on risk management, profitability, and investor confidence (Gallagher & Yuan, 2017; Humphrey, 2017; Humphrey & Michaelowa, 2013; Nelson, 2001). Humphrey's comparative study of institutions such as the World Bank, the Inter-American Development Bank (IADB), and the Development Bank of Latin America and the Caribbean (CAF) demonstrates this convergence toward financial prudence, even at the expense of original developmental missions or more ambitious, socially oriented projects (Humphrey & Michaelowa, 2013).

On the other hand, MDBs are also established with explicit developmental mandates driven by the strategic goals and interests of their founding countries (Clark & Dolan, 2021; Kilby, 2006). In Humphrey's case, the World Bank was originally designed to facilitate post-war reconstruction and economic development aligned with geopolitical objectives, while the IADB aimed to foster regional integration and social development in Latin America. Over time, however, market-driven pressures reshaped their operational practices, prompting these institutions to prioritise financial sustainability and low-risk project portfolios that appeal to bond investors (Humphrey & Michaelowa, 2013). Consequently, MDBs experience a dilution of founding countries' strategic interests, as market imperatives dictate the viability of particular developmental initiatives.

Humphrey characterises this dynamic as the influence of an 'invisible hand', suggesting that financial markets indirectly steer MDBs toward organisational and operational uniformity (Humphrey, 2016). Despite diverse founding missions, institutions such as the World Bank, IADB, and CAF increasingly align their practices around standards dictated by credit rating agencies and investor expectations, emphasising predictability, transparency, and profitability. This convergence limits their capacity for innovation or responsiveness to unique developmental challenges, potentially marginalising complex or politically sensitive projects that might better reflect founding countries' strategic priorities (Humphrey, 2017; Humphrey & Michaelowa, 2013).

However, in practice, founding countries may continue to exert influence within MDBs through

governance mechanisms such as voting shares, board representation, and informal diplomatic pressure (Bin, 2019; He & Feng, 2019; Wang, 2018). While financial market constraints shape operational frameworks, member states retain significant leverage to pursue national and geopolitical interests within MDB decision-making structures (Clark & Dolan, 2021; Kilby, 2006; Nelson, 2001). This dual accountability—to financial markets on one side and founding-country interests on the other—creates ongoing institutional tensions, manifesting as conflicts over project selection, risk tolerance, and lending policies. Thus, the scholarship underscores an inherent institutional ambiguity within MDBs, where operational practices simultaneously reflect global market standards and founding-country strategic objectives (Barrowclough et al., 2021; Humphrey, 2016). In other words, MDBs must navigate this complex interplay, continuously negotiating between market discipline and geopolitical priorities.

Drawing upon these studies, AIIB may, therefore, be best understood as occupying a position similar to its MDB peers—simultaneously multilateral in structure yet inevitably shaped by the strategic priorities of its principal shareholder (Clark & Dolan, 2021; Luo et al., 2021). Classical MDB studies thus offer a critical lens through which to interpret AIIB’s institutional dynamics, suggesting that labelling it as strictly Chinese or entirely multilateral overlooks the inherent institutional hybridity characteristic of all MDBs.

2.1.3 AIIB’s Green Agenda

Current scholarship on AIIB and its engagement with ‘green’ demonstrates two interconnected yet analytically distinct layers of analysis: institutional-level policymaking and project-level implementation.

At the institutional level, the literature indicates that green policies in MDBs—including AIIB—are formulated through complex negotiations among multiple actors. Humphrey’s investigation into the broader MDB landscape underscores the importance of external financial market pressures shaping institutional decisions toward sustainability (Humphrey & Michaelowa, 2013). To maintain their credit ratings and investor confidence, MDBs increasingly integrate stringent environmental and social standards, reflecting broader market expectations rather than exclusively developmental or geopolitical objectives. Within AIIB, these institutional pressures intersect with internal bureaucratic processes and negotiations among member states. Park and Strand (Park, 2020) demonstrate that AIIB’s green policies

result from an intricate process involving senior management, member states, and engagement with external stakeholders, particularly environmental NGOs and international civil society groups.

Furthermore, institutional-level studies have highlighted AIIB's deliberate efforts to signal adherence to global best practices in sustainability, transparency, and accountability (Shao et al., 2021; Vazquez & Chin, 2019). This adherence suggests a strategic calculation by AIIB management, reflecting both normative compliance and a pragmatic desire for legitimacy within the global development financing community. The bank's green policy-making process, therefore, is marked by its responsiveness to both internal organisational preferences and external normative pressures, creating policies that serve dual objectives: gaining acceptance among international investors and reinforcing its legitimacy as a global MDB (Bin, 2019).

Moreover, scholars identify the multi-stakeholder nature of AIIB's policy formulation processes. Park emphasises the role of diverse actors, including member states, international environmental organizations, and internal management teams, in shaping AIIB's sustainability agenda (Park, 2020). This broad participation framework suggests a complex negotiation process where diverse interests—including those aligned with Chinese strategic goals, broader multilateral priorities, and global sustainability standards—intersect to shape policy outcomes.

At the project level, existing literature highlights varying perspectives regarding the actual implementation and effectiveness of AIIB's green policies. Critical scholarship often questions the substantive nature of AIIB's environmental commitments, particularly citing discrepancies between stated policy frameworks and practical outcomes. For instance, Güngen points out inconsistencies between the bank's stated environmental ambitions and the actual practices employed in infrastructure projects, suggesting that AIIB sometimes compromises its stated sustainability commitments to meet strategic or geopolitical objectives (Güngen, 2023).

Conversely, several studies document AIIB's tangible efforts to ensure project-level environmental sustainability, highlighting the rigorous implementation of safeguard policies aligned with international best practices (Gransow & Price, 2019; Reisen, 2015). These studies suggest that AIIB has developed detailed frameworks and procedural guidelines emphasising transparency, comprehensive environmental assessments, and active stakeholder engagement, indicating a genuine institutional commitment to sustainability practices within project

operations.

Moreover, detailed analyses of AIIB's lending portfolios and safeguard compliance indicate a nuanced reality, with varying degrees of adherence across different projects. Ren (2016) critically examines projects linked to China's strategic BRI, noting instances where environmental standards appear weaker or selectively enforced, raising concerns about potential 'greenwashing' (Ren, 2016). In contrast, more independent analyses underscore AIIB's consistent cooperation with established MDBs, leveraging joint financing agreements as mechanisms for enforcing global standards and improving sustainability outcomes (Vazquez & Chin, 2019)c.

However, it is crucial to acknowledge a significant limitation in existing literature, which tends to rely predominantly on formal policy frameworks, stated institutional commitments, and publicly available project documentation (Stephen & Skidmore, 2019; Zhao, 2020). Such reliance inevitably limits the understanding of actual operational practices. Few studies provide granular empirical analysis based on direct observation of project implementation, interactions among stakeholders on the ground, or detailed qualitative evaluations of project outcomes (Güngen, 2023).

Thus, the current scholarship presents a compelling but incomplete picture of AIIB's green agenda. The literature clearly identifies the complex interplay between market-driven institutional pressures and founding-country interests that shape environmental policy decisions, yet often lacks the empirical depth required for definitive conclusions about on-the-ground practices. To advance understanding, scholars increasingly advocate for detailed, field-level studies that scrutinise actual operational practices rather than merely institutional declarations.

2.2 On-the-ground Effects of MDB Projects

Section 2.2 serves as a theoretical foundation for addressing my second research question: at the local level, how does AIIB implement its green agenda and what on-the-ground effects does it cause?

MDBs design and implement development projects with positive intentions and clearly defined

developmental objectives (Woods, 2006). Nevertheless, despite these well-intended goals, MDB-funded projects may produce unintended adverse effects at the local level. These negative impacts can influence people, places, and institutions, and manifest in economic, social, and political dimensions (Kilby, 2013; Wade, 2009, 2016b). Even projects explicitly labelled as ‘green’, such as those promoting solar or wind energy, might still carry similar unintended effects (Ulloa, 2023; Zografos & Martínez-Alier, 2009).

Moreover, recent research has identified potential political implications arising from MDB-funded projects. These projects can significantly alter institutional dynamics, impacting the authority and credibility of state institutions at both local and national levels (Zeng, 2024). Conversely, they can also offer opportunities for governments to promote economic growth, enhance governance, and meet strategic developmental objectives (Lin & Wang, 2023).

Drawing on insights from critical development studies, Section 2.2 addresses the second research question, which investigates how AIIB implements its green agenda and explores the effects of its green projects. First, this Section examines the multifaceted economic, social, and ecological impacts on both human communities and ecosystems. Second, it synthesises the political effects experienced by states and various institutions. Finally, leveraging scholarship from political ecology and political geography, the analysis moves beyond specific project sites to consider the broader implications of MDB-funded green projects.

Throughout this Section and the entire thesis, I deliberately use the term ‘effects’ instead of ‘impacts’ or ‘results’ to emphasise the critical economic, social, ecological, and political dimensions involved. Additionally, the term ‘effects’ is distinguished from ‘consequences’, which is explored separately in Section 2.3. Whereas ‘effects’ captures the short-term outcomes of a specific MDB-funded development project, ‘consequences’ specifically refers to long-term and broader outcomes resulting from institutions’ intentional actions. This thesis presents both short-term effects and long-term consequences of an AIIB green energy project.

2.2.1 Economic, Social, and Ecological Effects

MDBs fund projects with fundamentally good intentions. Their development projects are traditionally designed to stimulate economic growth, alleviate poverty, and address environmental concerns (Barrowclough et al., 2021; Humphrey, 2022). Despite these beneficial

goals, implementation on the ground consistently generates complex effects, some of which inevitably prove adverse. Such unintended effects are frequently obscured within institutional frameworks, becoming visible only through detailed empirical investigation of local conditions. Therefore, evaluating MDB-funded projects requires attention to nuanced realities that reveal differences between intended benefits and actual effects experienced by local communities and ecosystems.

Critical development studies have been particularly valuable for examining these dynamics. Historically, scholarship has focused extensively on major institutions like the World Bank and the International Monetary Fund (IMF), interrogating their projects and policies through lenses of power, inequality, and unintended social effects (Bebbington et al., 2007; Goldman, 2005; Woods, 2006). Scholars, most notably Robert Wade, have critically examined the broader implications of MDB initiatives, identifying recurrent themes such as exclusionary practices, uneven resource distribution, and environmental negligence (Wade, 2009, 2016b). Recently, this scholarly tradition has broadened its analytical scope to encompass newer MDBs, such as AIIB and NDB, contributing new insights into contemporary development finance practices and their local effects (Güngen, 2023).

The economic effects of MDB-funded projects have long been scrutinised by critical scholars (Hirschman, 1995). These studies frequently document that despite promises of inclusive economic growth, large-scale infrastructure projects often produce disruptions in local economies, harming vulnerable populations (Ferguson, 1990). Wade (2004), for instance, critiques MDB-driven neoliberal reform agendas, demonstrating that they disproportionately benefit elite stakeholders, exacerbate local inequalities, and marginalise small-scale economic activities. Similarly, projects promoting large infrastructure—like highways, dams, and energy facilities—can displace local businesses and distort regional economic systems, undermining intended developmental outcomes (Bebbington et al., 2007; Kilby, 2013; Wade, 2016).

Social effects constitute another crucial area of analysis within critical development studies of MDB-funded projects. Even projects explicitly designed to enhance community welfare have been documented as inadvertently intensifying social tensions or exacerbating existing inequalities (Cernea & World Bank, 1991; Easterly, 2006; Fox & Brown, 1998). Cernea's (1985) influential work illustrates how MDB initiatives frequently neglect the complexities of local social structures, community values, and cultural practices, resulting in forced relocations,

disrupted community bonds, and increased marginalisation of disadvantaged groups. Such negative social consequences raise important questions about participatory governance and underscore the significance of including affected communities in the design and execution of development initiatives.

Even the ecological effects associated with MDB-financed projects draw critical attention due to the considerable environmental damage that can accompany development interventions, despite safeguards or commitments to sustainability. Infrastructure projects, even those designed with environmental considerations, have repeatedly been shown to trigger significant ecological disruption, including habitat destruction, biodiversity loss, and degradation of essential natural resources (Hecht, 2010; Rich, 1994; Scudder, 2005). Rich (1994) critically evaluates these trends, emphasising how MDBs often inadequately enforce environmental safeguard policies or compromise them in favour of economic interests, especially in contexts with weak local environmental governance. Such practices highlight ongoing tensions between ecological sustainability and the pressures of development finance.

Notably, in recent decades, climate change concerns and global energy transition goals have driven MDBs to significantly expand their portfolios of projects explicitly labelled ‘green’. Typically, such projects centre around renewable energy, prominently solar and wind power initiatives. MDBs frame these projects as central to their green agendas and positions renewable energy as the cornerstone of future ‘global development investments’ (MDB, 2023). The promotion of these initiatives has coincided with increased international recognition of the urgent need for green, clean, sustainable, low-carbon development pathways, leading MDBs—such as AIIB—to intensify their commitments toward climate finance and energy transition.

Yet, emerging scholarship is beginning to critically scrutinise even these so-called ‘green’ projects. Scholars highlight that green energy initiatives, despite their progressive labels, may still reproduce familiar patterns of negative economic, social, and ecological consequences (Avila et al., 2022; Dunlap, 2018; Dunlap & Arce, 2022). For instance, Dunlap and colleagues (2019) argue that green energy projects, including solar farms and wind parks, frequently entail substantial land-use changes, resource extraction, and displacement of local communities, echoing patterns observed in conventional infrastructure projects. These studies stress that green energy, although crucial for mitigating climate change, is not inherently devoid of adverse local impacts. They underline the necessity for rigorous assessment of green-labelled

projects beyond their carbon-reduction benefits, emphasising complex realities that accompany green energy transition on the ground (Dunlap et al., 2024).

Notwithstanding these crucial insights, the academic literature specifically examining MDB-funded green projects remains sparse. While MDBs are progressively shifting their strategic orientation toward climate financing and green energy transition, detailed empirical studies on how these projects operate in practice are limited. Existing research predominantly focuses on general frameworks, policies, or anticipated outcomes, neglecting detailed investigation of the concrete impacts of green-labelled initiatives in specific contexts (Güngen, 2023; Michaelowa et al., 2020). This gap presents a significant challenge, given that MDBs increasingly claim leadership roles in global environmental governance and sustainable development finance. Comprehensive empirical research is urgently needed to clarify whether MDB-supported green agendas genuinely deliver their promised sustainability benefits or unintentionally perpetuate previous developmental problems.

We might learn from the literature that while MDBs finance development projects with commendable goals of economic improvement, social welfare, and environmental sustainability, critical development literature consistently demonstrates that these interventions frequently produce multifaceted and complex effects—economic, social, and ecological—that extend beyond original intentions. Even projects labelled explicitly as ‘green’ require careful and critical empirical assessment to verify their on-the-ground effectiveness and mitigate potential negative impacts (Stock, 2023; Tornel, 2023). It has become clear that scholarly efforts should prioritise in-depth empirical research focused explicitly on the operational realities of MDB-funded green projects. For this thesis, it is thus important to ensure a comprehensive understanding of green projects’ actual effects amid the ongoing shift toward climate-oriented development finance.

2.2.2 Beyond the Sites: Political Ecology of MDB-funded Green Projects

Thus far, I have examined the varied economic, social, ecological, and political effects generated by MDB-funded projects at and around their specific project sites. Yet, development projects funded by MDBs do not exist in isolation. Rather, they constitute integral parts of broader global strategies addressing climate change and energy transition challenges (Dunlap et al., 2024; Sud, 2025). To fully grasp the comprehensive range of effects extending beyond

local project sites, it is essential to engage with literature from political ecology and political geography. These fields provide valuable tools to explore more complex and multilayered effects that emerge from development projects by uncovering relationships that extend far beyond the immediate locations of resource extraction.

For the political ecology literature and political geography literature, a singular analytical focus on project sites, while indispensable, remains insufficient for understanding the full scope of MDB-funded green projects. Focusing exclusively on the physical locations or immediate stakeholders involved in such projects neglects the complex networks facilitating their conception, implementation, and sustainment (Dunlap & Arce, 2022; Tornel, 2023, 2025). Green projects—such as solar parks, wind farms, or large-scale conservation schemes—do not merely emerge spontaneously at their locations of implementation. Instead, their existence relies on dense global networks of actors, capital, institutions, and technologies (Liu & Lai, 2021). These networks significantly shape how green projects are designed, who benefits from them, and how their environmental and social costs are distributed. (Siamanta, 2019) It is, therefore, crucial to critically analyse these broader relational contexts within which MDB-funded green projects are embedded.

Central to these enabling networks are states, particularly borrowing countries. States act not merely as passive recipients of MDB resources but as active agents shaping the landscape in which green initiatives take place. As the last Subsection introduces, they determine the regulatory environment, create policy frameworks, set the conditions for foreign investment, and play a decisive role in steering the course of development activities. Central states negotiate the terms of MDB loans, manage resource extraction permissions, and articulate national strategies around climate and energy transitions. Furthermore, states actively use green projects as strategic platforms for achieving broader political objectives—strengthening state legitimacy, extending administrative capacities, or consolidating authority (Hu, 2020, 2023; Shen & Power, 2017; Shen & Xie, 2018). Thus, green projects become intertwined with national developmental strategies, embedding themselves deeply within state governance structures and political aspirations.

However, beyond states, MDB-funded green projects are also shaped significantly by other influential actors within these global networks. Prominent among these are MDBs themselves, alongside state-owned enterprises (SOEs) and multinational corporations. MDBs, particularly,

function as pivotal actors facilitating the flow of capital, technology, and expertise across geographic and political boundaries (Reisen, 2015; Woods, 2006). As key nodes in these networks, MDBs connect financial markets in the global North with resource-rich countries in the global South, mobilising resources necessary for project implementation (Ray & Kamal, 2019). Additionally, MDBs produce and circulate the narratives and discourses that legitimise green extractive projects, framing these interventions as essential responses to global crises of climate change and sustainability (Güngen, 2023). Similarly, SOEs often play instrumental roles, implementing large-scale renewable energy projects, often serving both national interests and broader capital accumulation goals (Jones & Zou, 2017; Ye, 2021).

Clearly, it is critically important to conceptualise MDB-funded green projects not only as ‘development projects’ but also as strategies for profit-making and power-making (Dunlap & Arce, 2022; Ferguson, 1990; Rich, 1994). These projects are intimately tied to processes of capital accumulation, profit extraction, and wealth redistribution across global networks (Tornel, 2023; Zografos & Martínez-Alier, 2009). However, their significance is not limited to economic effects alone. As Chapter 7 will show, MDB-funded green projects are powerful tools through which states and other dominant actors construct and consolidate political power. By steering project resources strategically, actors within these networks strengthen their institutional capacities, increase their political legitimacy, and reinforce their socio-economic dominance. Green projects thus become instruments not just for addressing environmental concerns but for maintaining and extending broader political and economic structures of power.

In conclusion, to critically understand MDB-funded green projects, it is equally important to shift analytical focus from isolated project sites to the broader global networks. Recognising the roles of states, MDBs, SOEs, and capitalist logic reveals that these projects are deeply embedded in global systems of accumulation, extraction, and political power consolidation. I thus argue that MDB-funded projects must be critically examined not merely as benevolent instruments of ‘green development’ but as complex, multifaceted systems of profit generation and political control.

2.3 ‘Development’ and Its Consequences

Section 2.3 serves as a theoretical foundation for addressing my third research question: to what extent and in what ways ‘green’ can depoliticise the expansion of AIIB and China?

In short, alongside immediate ‘effects,’ development projects also generate ‘consequences’. Here, ‘consequences’ refer specifically to the longer-term outcomes shaped by institutions’ strategic mobilisation of particular development notions. By employing these notions, institutions carve out new spaces for expanding their influence and authority. Drawing upon classical studies of ‘development’ and related concepts, this Section explores how MDBs, along with their associated states, leverage development narratives and projects to consolidate and reinforce their power.

2.3.1 Political Effects

A fascinating yet less explored dimension of MDB-funded projects involves their political effects. Beyond their economic, social, or ecological effects, these projects frequently reshape political institutions, influencing both central and local governments in subtle but significant ways (Lin & Wang, 2023). Such political transformations can be particularly pronounced in projects labelled ‘green’, as these tend to bring about deeper institutional changes through nuanced processes. Clearly, MDB-funded projects can reshape governance capacities and authority structures at multiple scales.

Development studies have revealed that the central state can significantly shape the political trajectory of MDB-funded projects. Central states play a crucial role in project selection, policy design, implementation frameworks, and regulatory oversight, each critical for determining how projects materialise in practice (Lema & Ruby, 2007). The literature consistently highlights that the borrowing country’s central state is never merely passive or receptive; it actively negotiates conditions, sets agendas, and integrates MDB-funded initiatives within its broader development objectives (Mosley, 1995; Wade, 1996). Scholars often underline that the effectiveness of projects hinges significantly on the central state’s capacity, political stability, and administrative coherence. Therefore, the power of central states not only lies in choosing specific projects but also in leveraging these projects strategically to pursue broader national goals, from economic modernisation and social stability to environmental sustainability.

Alongside the central state’s pivotal role, local states also fundamentally shape the implementation of MDB-funded projects. Existing MDB scholarship shows that local states are essential intermediaries, crucial in translating centrally designed policies into concrete

action on the ground (Wade, 2009). Typically, local authorities are responsible for adapting general directives to local realities, mediating between central mandates and community demands, and navigating complex local socio-political dynamics. Local states frequently redefine, reinterpret, or even resist central directives, significantly influencing the actual outcomes of development initiatives (Hu, 2020). Consequently, their active role in project implementation underscores the importance of recognising local governance dynamics, which often diverge markedly from centralised policy expectations.

However, MDB-funded green projects frequently generate profound changes in the structures and capacities of central states themselves. On one hand, such projects can substantially strengthen central state authority and enhance its institutional capacities. Central states may utilise green initiatives as strategic platforms for consolidating political legitimacy, reinforcing administrative control, and demonstrating environmental leadership (M. Beeson, 2018; G. C. Chen & Lees, 2016). Particularly in the global context of climate change and energy transition, central governments have increasingly integrated green agendas into national development strategies, leveraging them as symbols of modernisation and legitimacy. Such strategic alignment allows central states to expand bureaucratic reach, coordinate stakeholders more effectively, and enhance control over strategic economic sectors (Moore, 2014).

Conversely, MDB-funded green projects can also unintentionally undermine or harm the central state's authority and credibility. When green projects falter due to poor implementation, corruption, or unintended adverse consequences, public trust in central governance can erode (Liao et al., 2021). Failed or mismanaged green initiatives can expose weaknesses in state institutions, such as limited enforcement capabilities, insufficient regulatory frameworks, or poor coordination among bureaucratic bodies (Ho, 2006). Such institutional shortcomings, highlighted by project failures or unexpected consequences, can weaken the central state's credibility and challenge its governance legitimacy both domestically and internationally. Consequently, poorly implemented green projects can inadvertently expose and amplify vulnerabilities within central governance structures.

At the local scale, MDB-funded green projects can also influence local states in complex and divergent ways. When local states lack sufficient institutional capacity, adequate resources, or robust governance frameworks, green initiatives can intensify existing governance challenges. For example, if local institutions fail to coordinate effectively with central directives, or if

projects are poorly managed locally, the outcomes may include environmental degradation, social disruption, or intensified inequalities (Liao et al., 2021; Shen & Xie, 2018). Research on local governance frequently highlights cases in which ambitious green projects lead to ecological harm or community displacement due to inadequate local management or weak oversight structures (Hu, 2020, 2023). These negative outcomes undermine local state legitimacy, weaken governance capacity, and can deepen institutional mistrust, especially among marginalised populations disproportionately affected by project failures.

Conversely, green initiatives can also significantly benefit local states by enhancing their institutional capabilities, fostering innovation, and stimulating local economic growth. Local states capable of effectively managing green projects can leverage them to stimulate infrastructure investment, technological innovation, and capacity building. In such scenarios, local governments become central agents in pioneering innovative policy solutions, promoting localised sustainable development, and enhancing administrative effectiveness. Local states that successfully harness green investments can also stimulate broader socio-economic improvements, generating employment, facilitating industrial upgrading, and fostering sustainable resource management (Lin & Wang, 2023). Thus, effective governance at the local scale can turn green projects into transformative platforms, substantially increasing institutional credibility, legitimacy, and political authority within communities (Zeng, 2024).

Therefore, it is essential in this thesis to thoroughly explore the complex political effects MDB-funded green projects produce, not just on economies or environments but directly upon political institutions themselves. Considering both beneficial and detrimental political consequences can enrich our understanding of MDBs like AIIB, revealing deeper institutional dynamics that conventional development analyses often overlook. Recognising how green projects reshape governance frameworks across multiple levels, including both central and local states, allows scholars and policymakers to address the political intricacies of development finance, thereby mitigating institutional vulnerabilities and strengthening governance capacities (Lin & Wang, 2023; Sovacool, 2021). In sum, exploring political effects is essential for comprehensively understanding the dynamics underlying MDB-funded green development initiatives.

2.3.2 Social Science Works on ‘Development’

The concept of ‘development’ and related notions—such as ‘science,’ ‘justice,’ and ‘environment’—often function not merely as neutral categories but as critical entry points through which dominant actors, including states and development institutions, extend their bureaucratic authority. Classical anthropological research highlights how powerful institutions leverage these ostensibly progressive terms to legitimate their expansion, frequently sidelining the very issues their projects claim to address. Scholars such as Mitchell (2002), Goldman (2005), Agrawal (2005), and Escobar (1995) have provided extensive analyses revealing how these development-related notions become embedded within broader political strategies, facilitating new governance practices, institutional legitimacy, and forms of control (Ferguson, 1990; Wade, 2002). Their insights illuminate the mechanisms through which dominant actors transform apparently neutral concepts into instruments of power.

Mitchell’s seminal work, *Rule of Experts: Egypt, Techno-politics, Modernity* (2002), illuminates how notions of ‘science’ and ‘expertise’ function as powerful instruments of governance and state control. Mitchell argues that technical knowledge, particularly economic and agricultural expertise, is mobilised by state actors to legitimise ambitious development interventions. Focusing on 20th-century Egypt, Mitchell demonstrates how scientific discourses underpinned large-scale projects, including land reform and infrastructural modernisation, presented as objective, rational, and beneficial to societal progress (Mitchell, 2002). However, such interventions did not fundamentally resolve local issues, such as poverty or inequality. Instead, these scientifically justified projects extended state bureaucratic power, reinforcing existing hierarchies and effectively marginalising alternative forms of local knowledge and governance.

Notably, Mitchell’s critical perspective serves this thesis by highlighting a central mechanism through which MDBs similarly mobilise the notion of ‘green’. In Chapter 5, just as Mitchell identifies the political functions hidden beneath scientific rhetoric, my study critically assesses how MDBs invoke environmental expertise and ‘green’ narratives and legitimise their own institutional expansion and influence. MDBs, like the state actors in Mitchell’s analysis, mobilise the seemingly authoritative claims of ‘scientific knowledge’ about climate change and energy transition to present their projects as necessary, beneficial, and technically unquestionable (Mitchell, 2002). Yet, this scientifically authoritative discourse often conceals deeper political objectives, depoliticises the consequences of interventions, and strengthens

MDBs' bureaucratic authority by marginalising alternative perspectives and resistance.

More relevantly, Goldman, in his influential work *Imperial Nature: The World Bank and Struggles for Social Justice in the Age of Globalization* (2005), critically explores how development institutions, particularly the World Bank, use concepts of 'justice' and 'participation' to maintain and expand their institutional power. Goldman argues that the World Bank has effectively appropriated progressive discourses, framing its development interventions as ethically sound, inclusive, and beneficial. Underneath these claims, however, lies a deeper institutional logic aimed at legitimising controversial interventions, silencing dissent, and consolidating bureaucratic authority (Goldman, 2005). Goldman highlights how notions such as 'social justice', 'participation', and 'empowerment' are often rhetorical tools that enable the World Bank to expand its influence while avoiding genuine accountability to affected populations.

The insights thus significantly enrich the theoretical framework of my thesis on AIIB. His critical perspective on how institutions instrumentalise progressive concepts, such as 'justice' and 'participation', directly informs my examination of AIIB's mobilisation of the 'green' narrative. Like the World Bank's strategic use of 'justice,' AIIB's language of 'green, clean, and lean' could legitimise large-scale interventions, portraying them as inherently positive and beyond reproach. As my Chapter 4 and 5 will show, such narratives depoliticise contentious environmental and social outcomes, enabling the newly established bank to expand power, sidestep criticism, and expand its institutional reach. Here, Goldman's analysis provides essential insights into how MDBs construct legitimacy through development narratives that mask power imbalances and inequalities (Goldman, 2005).

We might also learn from Agrawal's classical work, *Environmentality: Technologies of Government and the Making of Subjects* (2005). Specifically, he further expands critical inquiry into the strategic mobilisation of the notion of 'environment'. Agrawal introduces 'environmentality' to describe how states and development institutions construct environmental subjects who internalise and reproduce governmental definitions of ecological responsibility. Drawing on detailed fieldwork, Agrawal demonstrates how conservation policies and environmental discourses not only regulate resources but also shape human behaviour and identities. By embedding governance within notions of ecological stewardship and moral responsibility, these projects become deeply depoliticised and justified as necessary

for common ecological goals, thus facilitating an expansion of bureaucratic authority (Agrawal, 2005).

Here, Agrawal's concept of 'environmentality' provides an important analytical lens for this thesis by critically examining how MDBs similarly employ 'green' projects to extend governance power. Through development financing, MDBs produce particular kinds of ecological subjects—states, local governments, corporations, and communities—who internalise and reproduce MDB-defined 'green' norms. These institutions leverage environmental crises to promote governance structures aligning local behaviour with global ecological objectives set by MDBs. Consequently, MDB-funded green projects operate not merely as neutral environmental initiatives but as governance tools that reinforce institutional authority and influence. This perspective highlights how MDBs reshape ecological subjectivities and consolidate control through depoliticised environmental narratives.

Even the notion of 'development' itself can be instrumentalised. Escobar, in his foundational book, *Encountering Development: The Making and Unmaking of the Third World* (1995), offers a profound critique of the concept of 'development' itself. Escobar argues that development, as a discursive formation, is neither neutral nor inherently beneficial. Instead, it constitutes a powerful mechanism through which Western knowledge and power structures are imposed globally. Development, according to Escobar, is fundamentally tied to institutional and bureaucratic power expansion, framing non-Western societies as inherently deficient and in need of external interventions (Escobar, 1995). Development discourse systematically marginalises local knowledge systems and social practices, portraying external interventions as universally beneficial while depoliticising their consequences.

I would argue that Escobar's critique is crucially relevant to this thesis because it offers a theoretical framework to interrogate AIIB's 'green development' narratives in the so-called 'wasteland'. My study critically examines AIIB's mobilisation of development discourses around green energy and climate change to reveal how these narratives replicate power structures identified by Escobar. As my Chapter 1 shows, AIIB similarly positions borrowing countries—especially in Central Asia—as lacking sufficient capacity for managing climate and energy crises, thereby justifying intervention through green projects. This framing legitimises external technical expertise and control, reinforces institutional authority, and obscures the broader power dynamics inherent in these relationships. Escobar's critique thus helps my thesis

illuminate how MDBs' 'green' narratives serve not simply as genuine environmental initiatives but as instruments of power expansion, governance control, and depoliticisation in the desired areas like Kazakhstan (Escobar, 1991, 1995).

Collectively, these scholars provide an essential theoretical foundation for critically assessing AIIB's agenda of 'green' within development discourses. While they do not directly deal with MDBs, their works offer essential insights. Mitchell demonstrates how scientific expertise masks political objectives; Goldman reveals how progressive discourses legitimate institutional power; Agrawal illustrates how environmental governance reshapes subjectivity; and Escobar critically interrogates how development discourse legitimises external interventions. It is exactly in this spirit that I traced its Zhanatas project from Beijing—at the institutional level—to Zhanatas—at the local level.

2.3.3 Ferguson and the 'Instrument-Effect' of 'Development'

Among critical development scholars, Ferguson stands out as offering perhaps the most relevant analytical framework for examining the unintended political consequences embedded within development projects. His groundbreaking ethnographic analysis, detailed in *The Anti-Politics Machine: "Development", Depoliticization, and Bureaucratic Power in Lesotho* (1990), established a foundational approach for analysing the relationship between development interventions and institutional power. Ferguson's central contribution lies in his concept of the 'instrument-effect', through which he reveals how development projects often fail in their stated objectives yet unintentionally succeed in reinforcing existing power structures. In Ferguson's view, development projects may seemingly aim at poverty alleviation, economic growth, or social welfare, but through their bureaucratic logic and institutional practices, these interventions systematically depoliticise issues, reconfigure governance, and ultimately serve dominant actors in ways unforeseen at their inception (Ferguson, 1990).

In his detailed analysis of a World Bank-backed rural development project implemented in Lesotho between 1975 and 1984, Ferguson demonstrates how well-intentioned international development initiatives frequently produce unexpected outcomes that strengthen bureaucratic authority rather than addressing poverty or inequality. The Lesotho Thaba-Tseka rural development project, designed explicitly to stimulate economic development, agricultural productivity, and local governance capacities, is shown by Ferguson to have profoundly

misread local realities. The World Bank and associated agencies portrayed Lesotho inaccurately as a ‘primarily agrarian society’ and ignored local labour migration patterns and regional economic interdependencies (Ferguson, 1990). This misrepresentation allowed for interventions designed according to externally defined parameters, leading the project to fail significantly in its original objectives. Despite this failure, the project successfully expanded bureaucratic control and administrative structures, solidifying central state authority and entrenching international institutions’ influence over local decision-making processes.

At the beginning of the work, Ferguson explicitly underscores how these development interventions often strengthen institutional authority unintentionally. He argues:

‘A development project may well serve power, but in a different way than any of the ‘powerful’ actors imagined; it may only wind up, in the end, ‘turning out’ to serve power’ (Ferguson, 1990, p. 255).

In this sense, Ferguson conceptualises ‘development’ not merely as a set of practices designed to address particular economic or social problems but as a deeply political, bureaucratic instrument. Development discourse and practices thus become an ‘anti-politics machine’—an effect that systematically depoliticises issues by framing complex social problems in purely technical terms, obscuring their inherently political dimensions. Through this analytical lens, Ferguson reveals how ostensibly neutral interventions actively reconstruct power relations, reinforce institutional legitimacy, and ultimately entrench existing structures of domination and bureaucratic governance.

Essentially, Ferguson’s conceptualisation of development advanced critical understandings of how development institutions, particularly MDBs, operate. Three core contributions stand out. First, Ferguson challenges the narrative of development projects as inherently progressive or beneficial. He argues convincingly that even well-intended interventions often generate outcomes opposite to their stated goals, serving bureaucratic expansion rather than community empowerment (as Subsection 2.2.2 and 2.2.3 show). Second, Ferguson highlights the crucial role played by institutional discourse, which frames development issues as technical, objective, and apolitical (Chhotray, 2007; Ferguson, 1990). This depoliticisation enables powerful

institutions like MDBs to shield themselves from accountability and facilitates interventions that systematically marginalise local knowledge and political participation. Third, Ferguson's ethnographic methodology underscores the importance of empirically grounded, local-level research for understanding the broader political implications of development projects. By demonstrating how projects actually operate on the ground, Ferguson emphasises the critical need to examine closely the everyday practices through which institutions consolidate and reproduce their power.

For this thesis, these contributions are foundational, particularly regarding AIIB's 'green' narrative which eventually legitimises and depoliticises its projects. Ferguson's analysis provides a vital theoretical foundation for exploring how MDB-funded green projects might similarly operate as 'anti-politics machines'. By leveraging the language of 'climate finance', 'green infrastructure', 'green finance', and 'green energy transition', MDBs often frame their interventions as inherently beneficial and technically unquestionable, systematically removing these interventions from explicit political scrutiny. Ferguson's (1990) insights thus guide this thesis in examining how AIIB's green agenda to cover contentious outcomes, sidestep political accountability, and ultimately reinforce its bureaucratic power and influence. Ferguson's analytical framework also allows for a critical interrogation of the gap between institutional rhetoric—claiming ecological sustainability—and the political reality in which these interventions operate, characterised by power asymmetries and marginalisation of local voices.

However, Ferguson's original analysis did not anticipate the contemporary shift within MDBs toward explicitly 'green' or climate-oriented interventions. Writing at a time when rural development and infrastructure dominated MDB agendas, Ferguson focused primarily on conventional development initiatives, such as agriculture and economic modernisation, without directly addressing environmental or climate-related narratives (Ferguson, 1990). As such, Ferguson's conceptual tools must be adapted and extended to explore how MDBs now integrate ecological concerns and climate discourses into their institutional strategies. Thus, while Ferguson's analytical framework remains highly relevant, its application must be expanded to accommodate contemporary dynamics of environmental governance and sustainability narratives. My thesis aims explicitly to fill this analytical gap by critically investigating how AIIB mobilises green discourses as instruments of institutional power, depoliticisation, and authority consolidation, thereby extending Ferguson's foundational insights into new realms of contemporary global development finance.

In extending Ferguson's analysis to MDBs' contemporary green turn, I aim to critically assess how AIIB exploits the rhetoric of climate change and green energy transition to reinforce existing governance structures. MDBs now frequently invoke climate change as a global imperative, justifying expansive interventions through claims of environmental stewardship and global responsibility. Ferguson's conceptualisation of development as an 'anti-politics machine' helps unravel how these climate-oriented interventions, presented as politically neutral or universally beneficial, depoliticise complex ecological issues and marginalise alternative narratives and local governance practices. Therefore, this thesis uses Ferguson's analytical framework to highlight how MDBs leverage green discourses to consolidate their authority, legitimise large-scale interventions, and obscure the political and social conflicts inherently associated with resource allocation, project implementation, and governance structures.

In conclusion, Ferguson's groundbreaking ethnographic analysis provides critical theoretical and methodological tools essential for understanding the underlying dynamics of development projects funded by MDBs. His concept of the 'instrument-effect' highlights how projects seemingly aimed at societal improvement can paradoxically entrench institutional power and bureaucratic governance. However, Ferguson's original work did not directly address how climate discourses would become central to institutional legitimacy strategies. By explicitly extending Ferguson's analysis to the contemporary context of green development finance, my thesis critically examines AIIB's green narratives and reveals hidden political agendas and governance mechanisms underpinning seemingly green development projects. Thus, Ferguson's foundational contributions inform and enrich this thesis, providing a robust analytical foundation for critically exploring how contemporary MDBs' notion of 'green' can reinforce and legitimise their expanding institutional power.

2.4 Research Gaps

This literature review has critically engaged with three key bodies of literature that directly frame my three central research questions. First, I explored existing scholarly discussions specifically addressing AIIB. This scholarship predominantly adopts macro-level analyses, often interpreting AIIB primarily as an instrument of China's geopolitical and economic ambitions. I have also paid special attention to the emerging literature on AIIB's evolving green

agenda. Second, I reviewed critical development studies literature on the economic, social, ecological, and political effects of MDB-funded projects, traditional or labelled ‘green’. These analyses emphasise the complex and often unintended effects emerging from development interventions on the ground, highlighting discrepancies between institutional intentions and local realities. Third, I discussed classical social science critiques of ‘development’ itself, drawing particularly on Ferguson, Mitchell, Goldman, Agrawal, and Escobar, whose works illuminate how practices of development legitimise institutional power expansion and depoliticise contentious political processes. Collectively, the literature underpins my investigation of how AIIB seizes on ‘green’, how it implements its green agenda with on-the-ground effects, and how ‘green’ can legitimise and depoliticise institutional growth.

Based on this literature review, three significant research gaps emerge clearly. In this Section, I discuss each gap. I emphasise how addressing these gaps will substantially advance existing scholarly debates and highlight the distinctive contributions this thesis aims to make.

First, there is a need for greater clarity and depth in studying AIIB explicitly as a development institution and an emerging MDB. Current scholarship has predominantly framed AIIB within a macro-level geopolitical lens, frequently portraying it primarily as a tool of China’s national interests (Liang, 2021; Stephen & Skidmore, 2019). While this perspective is largely confirmed by my multi-site fieldwork evidence, it often neglects the distinct institutional character, internal dynamics, operational mandates, and structural limitations inherent to MDBs as organisations (Humphrey, 2016). Existing analyses rarely engage systematically with questions about AIIB’s governance structures, internal bureaucratic dynamics, operational procedures, or institutional constraints—especially in the context of climate finance and energy transition. Consequently, AIIB’s unique features as a financial development institution—its governance mechanisms, internal organisational culture, compliance strategies, internal policy-making processes, and operational constraints—have remained significantly under-theorised and insufficiently conceptualised. This conceptual oversight has left important aspects unexplored, including how AIIB navigates internal pressures, manages competing mandates, and negotiates constraints that shape its operational strategies as an MDB.

Moreover, there remains an important empirical puzzle specifically presented by AIIB itself. There is a strong tendency among both Chinese and Western scholars to attribute AIIB’s rapid establishment and growth solely to China’s geopolitical ambitions and economic capabilities,

assuming that AIIB's rise is a direct and straightforward reflection of China's national power and global strategy (Chen and Liu, 2018; Gabust, 2017; Huang, 2020; Jonge, 2017; Kaya and Woo, 2021; Laforgia, 2017; Wilson, 2017). However, this narrative remains inadequate. In recent years, AIIB has continued to grow impressively despite setbacks faced by several other China-led global initiatives such as 'China Standards 2035'.⁶ How AIIB manages to carve out a distinct institutional space in already crowded sectors such as climate finance and green energy remains critically under-examined. Important unanswered questions persist: How does AIIB align its ambitious green agenda with the specific and contingent development needs of its diverse client countries? How does the bank actively manage the delicate 'bank-country' interactions described by Wade (2009, 2016a, 2016b) to protect its institutional legitimacy and operational effectiveness? From a ground-level perspective, what precisely changes and what remains unchanged when AIIB intervenes in local contexts with its promise of 'green'? Addressing these questions requires moving beyond simplistic geopolitical explanations, demanding in-depth empirical investigation. This thesis explicitly seeks to fill this gap by exploring AIIB's distinct institutional strategies, operational practices, and local-level interactions, treating AIIB both as an extension of Chinese geopolitical ambition and as an emergent institution dynamically navigating global financial development spaces.

Second, there remains a scarcity of scholarly attention to the detailed on-the-ground effects of MDB-funded green projects. Despite increasing global emphasis on climate finance and green energy within development finance, existing literature has provided limited theoretical analysis of how green-labelled projects impact local economies, social structures, ecological systems, and political institutions. Current scholarship, particularly within critical development studies, has predominantly focused on various green energy projects supported by states or state-backed companies, rather than MDBs (Tornel, 2025; Ulloa, 2023; Zografos & Martínez-Alier, 2009). Consequently, theoretical understandings of precisely how MDB-funded green projects reshape local conditions, influence governance dynamics, and affect local communities remain limited and underdeveloped. Without nuanced theoretical insights grounded in empirical realities, scholarly debates on the effectiveness, legitimacy, and ethical implications of MDB-led green transitions remain overly generalised and insufficiently connected to actual practices

⁶ 'China Standards 2035' is a strategic initiative by China aimed at establishing Chinese standards as global benchmarks across various sectors, thereby enhancing China's international competitiveness and influence. It focuses on technological leadership, innovation, and standard-setting authority worldwide. Further details at <https://en.ndrc.gov.cn/policies/202203/P020220315511411109433.pdf>

and outcomes on the ground.

Moreover, there is a lack of inquiry into how the notion of ‘green’ can justify and depoliticise their institutional expansion and operations of MDBs and the states behind them. Although social science critiques of development discourse have illuminated how institutions utilise notions such as ‘justice,’ ‘participation,’ ‘environment,’ and ‘development’ itself to legitimise interventions (Escobar, 1995; Ferguson, 1990; Goldman, 2005; Mitchell, 2002), the specific role and implications of contemporary ‘green’ agendas remain inadequately explored. Empirical analyses that critically interrogate how MDBs employ ‘green’ narratives—specifically notions of climate finance and green energy—are notably scarce. Without rigorous empirical investigation into these dynamics, important questions about how green rhetoric operates politically to obscure power asymmetries, depoliticise resource conflicts, and facilitate bureaucratic expansion remain unanswered. This thesis also addresses this deeper gap by conducting detailed fieldwork on an AIIB-funded green project—Zhanatas project in southern Kazakhstan. It critically explores how green rhetoric at institutional and local levels can justify broader governance strategies.

Third, the gap is also concerning the limited critical and ethnographic research on China-backed international institutions, particularly MDBs such as AIIB. Although existing scholarship frequently acknowledges the geopolitical dimensions of Chinese-backed institutions (Cai, 2018; Freeman, 2019; Stephen & Skidmore, 2019), methodologically rigorous, empirically grounded studies examining these institutions from within remain rare. The prevailing literature tends to rely heavily on secondary data, official documents, and macro-level analyses. Such limitations mean that nuanced, ground-level dynamics—how institutional policies are formed, contested, and negotiated internally, and how these policies affect local contexts—remain inadequately understood (Jones & Zeng, 2019; Ye, 2021). Given China’s growing presence in global development finance, empirically grounded approaches, especially those involving direct engagement with institutional actors and affected communities, are urgently required. This thesis explicitly addresses this gap through *ad hoc* qualitative research methods, combining interviews, participant observation, and detailed analysis of everyday institutional practices. In doing so, it provides richer and more nuanced insights into the inner workings of China-backed institutions like AIIB, thereby significantly contributing to empirical advancement in critical development studies.

In short, this thesis explicitly addresses these three interconnected research gaps. By a) critically examining AIIB both as a geopolitical instrument and as a distinctive development bank, b) exploring the actual ground-level impacts of its green initiatives and how the notion of ‘green’ is mobilised, and c) employing empirical research, this study aims to significantly advance existing scholarship. Addressing these gaps provides new empirical insights and theoretical understanding for MDB literature, critical climate/energy research, and social science work on development and ‘development’.

2.5 Conclusion

This Chapter situated the thesis’s core analytical concerns within three intersecting bodies of literature: MDB and IR scholarship on AIIB, critical development studies, and social science critiques of ‘development’. Together, these literatures frame the thesis’s central research questions and inform its methodological approach.

Section 2.1 reviewed how AIIB is positioned within MDB and IR debates, revealing tensions between interpretations of the bank as a ‘challenger’ to Western norms and as a ‘developer’ working within existing multilateral frameworks. Rather than aligning exclusively with either view, I argue for a grounded analysis of AIIB as an evolving institution negotiating global market pressures and China’s strategic interests.

Section 2.2 drew on critical development literature to assess the varied effects of MDB-funded green projects. While presented as environmentally progressive, such projects often reproduce exploitative logics, displace communities, and exacerbate inequalities. The analysis highlights how MDB interventions reshape governance structures, with political outcomes that differ across national and local contexts.

Section 2.3 engaged with various critiques to explore how notions like ‘green’ can legitimise institutional authority and depoliticise intervention. Building on Ferguson’s (1990) ‘anti-politics machine’ and related work, this Section interrogates how MDBs frame technical solutions as politically neutral, masking contentious realities on the ground.

Finally, the Chapter identified key conceptual, theoretical, and empirical gaps in existing literature. It calls for closer attention to AIIB as a China-led development institution, for

grounded analyses of green project effects, and for bottom-up approaches that move beyond macro-level studies. This eclectic theoretical foundation sets the stage for the thesis's critical examination of how AIIB conceptualises, implements, and leverages 'green' as a tool of governance and expansion.

Chapter 3 Research Methods

As Burawoy argues, methods and theory constitute one another where ‘fieldwork is a sequence of experiments that continues until one’s theory is in sync with the world one studies’ (Burawoy, 1998, p.46). This Chapter provides an overview of case selection, research methods, and ethical challenges.

The existing literature on AIIB often adopts a macro-level approach, focusing primarily on the bank’s institutional design, lending priorities, and safeguarding policies (Gu, 2017; Kaya & Woo, 2022; Qian et al., 2023). Public discourse is even more concerned with broader issues, such as AIIB’s relationship with China and its positioning among so-called mainstream MDBs. This macro-level scholarship provides an important methodological point of departure for this thesis, as it sheds light on how the bank has been designed, expected to operate, and perceived. The scholarship also offers valuable insights into AIIB’s overall financial performance during its formative years.

In contrast, my research focuses on the bank as it exists in practice. In other words, I am not only concerned with what AIIB is designed to do, but also with what it is actually doing. Distinct from the mainstream literature, I pay particular attention to a specific dimension of the bank—its approach to green development. As Chapter 4 will demonstrate, in the years following its establishment, especially after 2020, AIIB has shifted significantly toward climate finance and the green energy transition—an area that remains underexplored in existing scholarship. Thus, in order to examine AIIB in relation to its ‘green’ agenda, this thesis employs methodological tools that are better suited to capturing these emerging dynamics.

Overall, this thesis adopts a qualitative research approach and an multi- and inter-disciplinary approach.⁷ As Beeson (1997) points out, ‘the common thread that connects various approaches to qualitative research is the commitment to study the world from the perspective of the acting individual’. In line with this, I employ qualitative methods to investigate how actors understand,

⁷ In this thesis, ‘multidisciplinary’ refers to the use of insights from multiple disciplines, such as development studies, anthropology, and international relations, as mentioned in Chapter 2, that are applied in parallel to analyse the research problem, while ‘interdisciplinary’ refers to the closer integration of concepts and analytical frameworks, such as Ferguson’s ‘depoliticisation’ (1990) and Humphrey’s ‘invisible hand’ (2016), across disciplines in the development of the core argument.

interpret, and respond to AIIB's green agenda. My aim is to capture not only institutional logics, but also how policies are implemented and experienced in practice and on the ground. This allows me to do justice to 'the socially constructed nature of reality' (Denzin & Lincoln, 2000, p.14). The strength of qualitative research lies in its ability to trace 'complex causal relations' (George & Bennett, 2005). In this study, those relations include the interplay between institutional strategy, implementation practices, and the meanings ascribed to 'green' by different actors.

Qualitative methods offer 'a flexible set of guidelines that connect theoretical paradigms to strategies of inquiry and methods for collecting empirical material' (Denzin & Lincoln, 2000, p.32). This flexibility is crucial: neither the methods used to examine MDB governance, nor the theories through which concepts like 'green' are analysed, are fixed at the outset. Instead, I move back and forth between empirical findings, hypothesis formation, and theory-building, iterating until data and theory are in alignment (Burawoy, 1998). While this study centres on qualitative methods, this does not mean quantitative data is without value. As I show in Chapters 5, contextualising interview and observational data with reference to publicly available statistics and project documents helps extend my arguments to broader questions of development finance and MDB practice.

The methodology discussion develops as follows. Section 3.1 explains the rationale for selecting the Zhanatas Wind Power Project as the primary case study through which to examine AIIB's evolving green agenda. Given the scale and prominence of the project, and its complex entanglements with state power, development finance, and environmental governance, it offers a particularly rich site for analysing how green transitions are implemented in practice.

Section 3.2 outlines the qualitative methods employed to collect data across two stages of fieldwork: one at AIIB headquarters in Beijing and the other across multiple project sites in Kazakhstan. These methods include semi-structured interviews, participatory observations, and critical policy analysis.

Section 3.3 addresses the ethical challenges and research limitations encountered during fieldwork. These include barriers to access, linguistic constraints, and representational dilemmas, as well as reflections on the author's own positionality.

3.1 Case Selection

I adopt an ‘extended case study’ approach (Burawoy, 1998), which is rooted in reflexive science. In this tradition, context is not treated as background noise but as integral to the production of knowledge. As Burawoy writes, ‘context is not noise disguising reality but reality itself’ (Burawoy, 1998, p. 37). Reflexive science takes context as the point of departure but not the point of conclusion. The extended case method ‘applies reflexive science to ethnographic fieldwork in order [to] extract the general from the unique, to move from the micro to the macro, and to connect the present to the past in anticipation of the future, all by building on pre-existing theory’ (Burawoy, 1998, p.21).

For my work on AIIB, case study research offers several advantages, particularly in providing ‘the opportunity to use many different sources of evidence’ to investigate the matter under consideration (Staa & Evers, 2009). It enables in-depth investigation of a bounded unit—such as an institution, a project, or a set of actors—while allowing for analytical generalisation beyond the immediate case (George & Bennett, 2005). A case study is especially useful when the boundaries between phenomenon and context are blurred, as is the case with MDBs and their green energy projects. However, the method also has its limitations. Findings are context-dependent and cannot be easily generalised. The depth of engagement required can also lead to over-identification with specific actors or settings. As my Chapters 5 and 7 show, these risks are addressed through triangulation, critical reflection, and linking the case to broader theoretical debates, rather than treating it as an isolated example.

Despite these strengths, it is important to be upfront about the limits of a single-case study as an approach. First, while the case study method allows for analytical generalisation, it does not support claims of representativeness in a statistical sense. For example, in this thesis, the Zhanatas project cannot stand in for the entirety of AIIB’s portfolio, nor can it capture the full diversity of sectoral, regional, and political contexts in which the bank operates. The findings I present in this thesis, especially Chapter 6 and Chapter 7, therefore do not imply that all AIIB projects function in the same way, or that similar dynamics would necessarily be observed in other settings such as East Europe or Latin America, where AIIB is seeking to expand its influence. Rather, the case is used to illuminate processes, mechanisms, and tensions that may be present elsewhere, dependent on further research (Denzin & Lincoln, 2000).

Second, I should also acknowledge that the depth of engagement required by a case study

necessarily prioritises certain institutional and project features over others. The analysis is shaped by the availability of access, the positionality of the researcher, and the specific historical and institutional conditions surrounding the Zhanatas project at the time of fieldwork (George & Bennett, 2005). While extensive triangulation across interviews, documents, and observation mitigates these limitations, the account offered here remains situated. For this reason, the thesis does not seek to close debates or offer definitive claims about AIIB's green agenda. Instead, it aims to contribute a grounded and theoretically informed interpretation that can be placed in conversations with other research, as we are seeing in the current MDB/AIIB literature.

This study adopts a purposive case selection strategy, guided by the need to identify a project that would allow in-depth exploration of AIIB's green agenda across all three research questions. Rather than seeking an average case, the Zhanatas Wind Power Plant project was selected as a typical example. It exemplifies a flagship AIIB investment in renewable energy, integrates environmental and social concerns, and occupies a strategically significant position in Central Asia—an area where Chinese development finance intersects with broader geopolitical interests. The case is analytically relevant because it allows me to trace how 'green' is conceptualised at the institutional level, implemented through specific project mechanisms, and experienced by local actors and ecosystems.

The selection process began with a comprehensive review of all 244 approved AIIB projects during 2016 and 2022.⁸ I then narrowed the pool to those classified by the bank as: (1) climate-relevant, (2) located in the green energy sector, (3) in Asia. Table 6 below shows the shortlist of potential cases that met these criteria. From this group, Zhanatas was chosen for its visibility within AIIB's climate portfolio, the availability of public documentation, and the feasibility of fieldwork access.

The following discussions in this Subsection explain why Zhanatas should be considered a good case, methodologically and theoretically.

⁸ 2016 was when AIIB was established. 2022 was when this research project was proposed, designed, and operated.

Table 3.1 Potential Cases

Project	Country	Sector	Approval Funding	Financial Approval	E & S Risk
Zhanatas 100 MW Wind Power Plant	Kazakhstan	Renewable Energy	USD46.7 million	12 December 2019	Middle
Dakdrinh 125MW Hydropower Plant	Viet Nam	Renewable Energy	USD47.5 million	11 November 2021	High
Solar Power Development and Energy Storage Solution	Maldives	Renewable Energy	USD20 million	25 February 2021	Middle
Monsoon 600 MW Cross-border Wind Power Project	Lao PDR	Renewable Energy	USD150 million	9 November 2022	High
...	...	...	...	...	...

Note 1. The data was collected and analysed from the project lists on the website of the bank.

In general, the case is chosen not because of its representativeness within AIIB's portfolio but the analytical values it offers to the researcher. The following analysis introduces both its strength and its limits.

First, it is one of AIIB's flagship climate and energy projects. Located on a steppe 10 km from Zhanatas in Kazakhstan's Zhambyl Region, the Zhanatas project was designed with a capacity of 100 megawatts (MW), making it Central Asia's largest wind farm at the time (AIIB, 2019c). Upon completion, the project was projected to reduce carbon dioxide emissions by nearly 300,000 tons annually and to provide green electricity to one million households in Kazakhstan (Xinhua, 2021a). Furthermore, the project has been given high political and economic significance. D.J. Pandian, one of AIIB's VPs, characterised in an open report that AIIB's investment in the largest wind power plant in the region reflected the bank's 'support for the Government of Kazakhstan's transition to a green economy', which will advance efforts to meet the country's commitments under the Paris Agreement (AIIB, 2019a).

Figure 3.1 Overview of the Windfarm Area



Source: Zhanatas Wind Power Plant Project Environmental and Social Analysis (AIIB, 2019)

Note 1. Project components are written in white, social constraints are shown in green. Green dash lines are pasturing routes.

Second, regarding the environmental and socio-economic impacts of the project, there is a significant gap between the bank's optimistic assessments and the realities on the ground. In 2019, AIIB assigned the project a Category B rating (medium risk). Although AIIB claims that the environmental and social sensitivity of the area where the wind farm and connecting powerline are being built is low, potential adverse effects are clearly evident in both official documents and independent media reports (AIIB, 2019c; EcoSocio Analysts LLC, 2019; M. Hess, 2024).

Land use, for instance, poses notable challenges. While AIIB maintains that the wind farm's construction affects only a small percentage of local farmers (0.9% of the land taken), the land acquisition process failed to comply with AIIB's own environmental and social standards regarding land acquisition and displacement (EcoSocio Analysts LLC, 2019). Seven farmers whose land was appropriated signed agreements relinquishing parts of their state-leased land without a full understanding of the project's purpose or its implications. Furthermore, beyond land-related issues, one of the most significant social impacts is the absence of adequate benefits for the local community, which has endured disruptions during the construction and

operation phases (AIIB, 2019; Eurasianet, 2021; ODR, 2021).

The ecological impacts are likely to be even more enduring. Scholars have shown how powerful actors and private capital often downplay the ecological and social value of land and natural resources to enable land grabs and profit-driven development (Cross, 2015; Sud, 2021). Despite AIIB's claims that the project site has low ecological value—being located in water-scarce piedmont hills with typical local flora and fauna—vegetation destruction and partial soil degradation are expected over approximately 71.7 hectares (or 30% of the leased area) (AIIB, 2019). According to a third-party ecological assessment, 451 birds belonging to 17 species across 5 orders were recorded at the project site, including migratory species such as Kestrel, Black-bellied Sandgrouse, Sand Martin, Swallow, Tawny Pipit, and Corn Bunting, along with Chukar, which is the dominant nesting bird (EcoSocio Analysts, 2019). Although the primary migratory routes lie 28 km north of the site, the disruption of local bird populations is likely. Additionally, natural fluctuations in rodent populations are expected to far exceed any reductions caused by displacement or increased predation. Figure 2 illustrates the sensitive ecological zones impacted by the project

Thus, as in many other areas where 'green' projects are implemented, Zhanatas faces a fundamental tension between environmental issues and economic transformation. More detailed potential project effects can be identified in the following table (see Table 7).

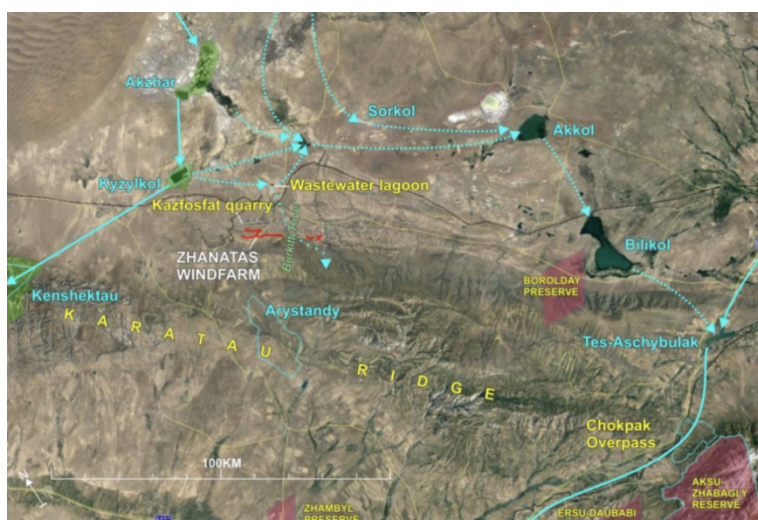
Table 3.2 The Potential Ecological and Social-economic effects of the Project

Type	Effects	Description
Ecological	Air Emission, Noise and Vibration	During construction the air quality is reduced locally with diesel combustion products, dust and volatile hydrocarbons
	Vegetation and Soil	Soil structure is damaged during construction of the internal roads and 35kV powerlines along them
	Animals	Migrating birds will pass at considerably higher altitudes than the span of the turbines blades. The known migration routes lie 54 kilometers north from the turbines and parallel to them
Social-economic	Land Use	The windfarm infrastructure takes 145ha of State Reserve land, 3.5ha of Kazfosfat land and 85.2ha of 7 farming enterprises
	Settlements near the Windfarm	Four settlements, two farms and a

		children summer camp have been identified to be close to the windfarm
	Visual impact	The 150m tall wind turbines have a potential to affect the scenery properties of the identified sensitive viewpoints
	Archaeological	Overall, 33 burial mounds 0.25-1.2m high and 3-16m made of large igneous rocks were found

Source: The author; Zhanatas Wind Power Plant Project Environmental and Social Analysis (AIIB, 2019).

Figure 3.2 The Sensitive Ecological Areas



(AIIB, 2019)

Source: Zhanatas Wind Power Plant Project Environmental and Social Analysis (AIIB, 2019)

Note 1. Important bird areas (blue); Key biodiversity areas (green); State protected areas (pink) and the nearest to the WPP birds migration route (blue dash line) that approaches the Karatau Mountain Ridge but then follow the lakes system to join the main migratory route 115km away from WPP at Ters-Aschibulak Reservoir to go over the Ridge at the Chokpak Overpass. Noted migration along Burkitti River 2.5km from the turbines 24 and 25 was very minor and went below turbines level.

Third, and most critically, this project exemplifies what much of the literature has argued: the climate crisis is being appropriated by dominant actors as an opportunity for profit-making and power consolidation (Dunlap et al., 2024; Siamanta, 2019; Sud, 2025). Rather than addressing structural inequalities or promoting meaningful environmental justice, such projects risk reinforcing existing hierarchies.

Development projects in such settings often function as instruments of state-building (Agrawal,

2005; Ferguson, 1990; Zografos & Martínez-Alier, 2009). In 2019, AIIB's Director General of Investment Operations, Yee Ean Pang, and Kazakhstan's Acting Minister of Energy, Makhambet Dosmukhambetov, signed a Memorandum of Understanding (MoU) to improve the investment environment for renewable energy in Kazakhstan (AIIB, 2019a). The Zhanatas Wind Power Plant can thus be seen as part of AIIB's broader efforts to 'assist' the Ministry of Energy in expanding its renewable energy sector. Through this project, AIIB aims to support institutional capacity-building and the adoption of modern mechanisms for financing energy infrastructure. How has the project helped the local government to implement its political and economic strategy? The project stands out to be an ideal one to answer the third set of question. Also, while studies have been done to explain AIIB's supplementary functions in promoting green infrastructure in the region (Gransnow and Price, 2019; Gu, 2017; Ren, 2016; Vazquez and Chin, 2017; Ying, 2017), there are scholars who identify AIIB's 'challenger' role in the liberal development order (Freeman, 2019; Stephen and Skidmore, 2019; Wang, 2018; Wu, 2020). In this specific project, how and to what extent has China used AIIB to expand its economic influence and achieve strategic goals in Central Asia and beyond the region? Zhanatas Wind Power Plant Project also constitutes a relevant and proper case for answering these further questions.

As Chapters 6 and 7 show, while framed as a 'green energy transition' project, the project also reflects the complicated entanglement of development, state power, and global finance, often at the expense of local environmental and social justice.

To conclude, it is important to reflect on the use of the Zhanatas wind farm as a case study and to clarify how this methodological choice supports the thesis's broader analytical aims. First, the case study is treated not simply as a standalone empirical example, but as a key method that enables in-depth engagement with how AIIB's green agenda is implemented in practice. Drawing on a wide range of primary and secondary sources—including AIIB's core policy documents, various interviews, third-party project reports, and local media in both Zhanatas and Almaty—I use the case to unpack the complex interplay between institutional agendas, state and quasi-state actors, and local development dynamics, as shown by Chapter 6.

Second, I acknowledge the limits of generalisation from a single case. While the Zhanatas project offers valuable insights into AIIB's operations, any extrapolation to other countries or sectors must be approached with care. The local institutional landscape, national regulatory

frameworks, and the general political economies of other AIIB member countries—such as India, Indonesia, or Vietnam—differ significantly, as do the political, economic, and social implications of different energy technologies (e.g. hydropower, solar, battery storage).

Third, to partially address this limitation, I have situated the case within AIIB's broader project portfolio through comparative references to other green energy projects and secondary literature, as shown in Chapters 7 and 8. This helps assess the extent to which the dynamics observed in Zhanatas reflect wider trends in AIIB's green operations. In sum, while grounded in one context, the case study enables a methodologically rigorous and critically reflexive exploration of AIIB's evolving climate agenda, while remaining attentive to its variability across space and investment types.

3.2 Methods and Sources

The main methods I adopt are qualitative interviews, participant observation, and critical document analysis.

Interviews are a 'method of data collection for conducting systematic inquiry' consisting of 'a process of seeking knowledge and understanding through conversation' (Mills et al., 2010, p. 495). They are especially useful for exploring how individuals interpret institutional norms, policy intentions, or personal experiences—insights that are not easily captured through documents or observation. Interviews can produce rich, situated accounts and allow for follow-up questions that reveal contradictions, ambiguities, or shifts in perspective. However, they are also shaped by power dynamics, positionality, and the interviewee's willingness or ability to speak openly (Achiba, 2019). What is said—or left unsaid—may reflect not only individual experience but also broader institutional constraints or social expectations. Selection of interviewees is thus guided by the aim of reaching a high degree of 'variation within the field through constant comparison [and] searching for extreme cases' (Burawoy, 1998, p.65).

Participant observation 'seeks to describe human interaction and behaviour through first-hand accounts and field work' (Mills et al., 2010, p.652) through 'the study of others in their space and time' (Burawoy, 1998, p.62). Participant observation thus requires participating in the daily life of the population being studied as a way of 'immersing' oneself in the field. For this research, it offered a valuable means of witnessing how AIIB's (institutional) green narratives translated—or failed to translate—into everyday practices and local experiences, both at the

bank's headquarters and at project sites in Kazakhstan. It enabled attention to informal dynamics, silences, and embodied practices that might be missed in formal interviews or documents. However, participant observation also has limitations. Access to elite institutions such as AIIB is often highly restricted, meaning that observational data may be partial or filtered through curated interactions. Conversely, in project settings, the researcher's visible presence may influence how people act or speak, particularly in hierarchical or securitised environments. These challenges were mitigated through triangulation, reflexive fieldnotes, and cross-verification with interview and documentary sources.

The third key method is critical document analysis. 'Document analysis can provide a window into a variety of historical, political, social, economic, and personal dimensions of the case beyond the immediacy of interviews and observations' (Mills et al., 2010, p.318). Documents, especially those of MDBs, comprise 'a variety of written, visual, and physical material, including any artefacts that can shed light on the case' (ibid.). In the context of this study, analysing AIIB's internal and public-facing documents was essential for understanding how the bank constructs its green agenda and communicates its institutional priorities. Document analysis allows for systematic engagement with policy frameworks, strategic visions, and institutional self-representations over time (2016-2024). It also helps identify discrepancies between formal commitments and implementation practices. However, documents—especially those produced by state-backed MDBs—often reflect carefully curated narratives, omitting internal debates or political tensions. Their institutional authorship means they must be read critically and in conjunction with other sources. As the following paragraphs show, to address these limitations, I triangulated document analysis with interviews and field observations to build a fuller picture of the bank's evolving climate discourse and operational practice.

Table 3.3 Research Questions and Methods

Study Level	Questions	Places and Time	Methods
Institutional Level	(1) and (3)	Beijing, China (August 2023—February 2024)	- Elite interview - Participatory observations - Critical policy analysis
Project Level	(2) and (3)	- Zhanatas, Kazakhstan - Almaty, Kazakhstan - Shymkent, Kazakhstan (March 2024—June 2024)	- Multi-site fieldwork - In-depth interview - Participatory observations

Two stages of fieldwork were conducted to address the three core research questions. The first stage took place in Beijing, China (August 2023–February 2024), focusing on the institutional level through elite interviews, participatory observations, and critical policy analysis. The second stage was carried out in Kazakhstan (March 2024–June 2024), focusing on the project level through multi-sited fieldwork in Zhanatas, Almaty, and Shymkent. This stage involved in-depth interviews and participatory observations to explore local implementation processes and actor dynamics.

Table 3.4 First Stage: Interview Conducted

Type	Number	Setting
Scholar	4	Semi-structured
Leadership	7	Semi-structured
Management	16	Semi-structured; Some were off the record
Staff	27	Semi-structured
Former Staff	3	Semi-structured; Some were online
Total	57	

To address the first research question—how AIIB approaches the notion of ‘green’ and transform it into actual policy, I conducted fieldwork on AIIB between August 2023 and February 2024. This involved 57 semi-structured elite interviews via snowball sampling. Of these, 20 interviews are directly referenced in the Chapter 5, while the remaining 37 provided valuable contextual insights that informed the research process. Most interviews took place in person at AIIB’s headquarters in Beijing, with a few conducted online. The interviewees included senior leadership (such as Vice Presidents and economists), management (mainly Director Generals and high-level officials), climate-focused officials at the bank, former staff,

as well as scholars and experts who provide policy guidance to AIIB. Full details of the interviews are included in the Appendix A.

To address the second research question—how AIIB implements its green agenda and what on-the-ground effects it causes, I conducted fieldwork on one of AIIB’s key green energy projects, the Zhanatas 100 MW Wind Power Plant (Zhanatas project) in Southern Kazakhstan, from March to June 2024 (AIIB, 2024g). While AIIB supports a range of ‘green’ transformations across Asia and Europe, the Zhanatas project stands out as a flagship project. The following Subsection will further elaborate on why this case is chosen.

Table 3.5 Second Stage: Interview Conducted

Type	Number	Setting
Project-affected locals	19	Semi-structured; Some were casual-style talks; Translators were used in interviews with Kazakh and Russian language speakers
Project Managers and Project Operators	12	Semi-structured
Officials	9	Semi-structured; Some were off the record
NGOs	2	Semi-structured; Online
Intellectuals	4	Semi-structured; Mostly in English
Total	46	

In total, 46 in-depth interviews were conducted. Participants included 19 project-affected locals, 12 project-related staff members, 9 local- and regional-level officials, 2 representatives from NGOs, and 4 intellectuals, selected through snowball sampling for their relevance to the project (Table 3.4). Most interviews were semi-structured, beginning with prepared questions that evolved into open, conversational discussions to encourage candid responses. This approach was particularly effective with marginalised groups, often nomadic, to capture nuanced perspectives (Hashimshony Yaffe & Segal-Klein, 2023; Ndi, 2024). Full details of the interviews are also included in the Appendix A.

My response to the third research question—to what extent and in what ways ‘green’ can depoliticise the expansion of AIIB and China, then, draws on both stages of fieldwork and subsequent critical analysis. While this thesis specifically addresses AIIB’s green agenda, it offers broader insights into China and its grand strategy, known as BRI. To contextualise these findings, I reviewed China’s official documents on AIIB and statements from Chinese leaders regarding China’s global development strategy and overseas investment policy.

During both stages of fieldwork, I make frequent use of interviews and participatory observation, each selected for different purposes. First, I conducted in-depth interviews with local government officials, industrialists, farmers, activists, and project builders to observe, document, and analyse their responses to AIIB's activities in the region. Second, I conducted participatory observation at the site of AIIB's Zhanatas Wind Power Plant Project and AIIB's headquarter in Beijing. I kept detailed records of my personal observations at the site. These fieldnotes turned out to not only help me contextualise the interviews but also contribute to a deeper reflection on my own positionality during the writing phase.

My primary mode of access to interview participants during both stages of fieldwork was through my institutional affiliation as a doctoral researcher at the University of Oxford. This academic position served as a formal credential that legitimised my research aims and facilitated initial contact with potential informants. In several instances, my identity as a Chinese national with academic training from globally recognised institutions—including degrees from top-tier universities and prior research engagements with Chinese government ministries—proved advantageous in building rapport and securing interviews. This was particularly evident in interactions with senior personnel from Chinese state-owned enterprises (SOEs) and with officials from both Chinese and Kazakhstani government agencies, where shared cultural and institutional reference points often fostered a degree of familiarity and trust.

Moreover, the alumni networks of both the University of Oxford and Peking University played a significant role in enabling access during the snowball sampling process. These professional and academic affiliations functioned not only as gateways to otherwise difficult-to-reach respondents, but also as mechanisms of social validation that lent credibility to my presence in the field. While Section 3.3 offers a more critical engagement with the ethical and epistemological implications of my positionality, it is important to note here that my identity and background were not merely logistical assets. They also shaped the kinds of data I was able to access and the nature of the interactions I could cultivate. Ultimately, these positional factors allowed for a more textured and multi-layered understanding of a flagship 'green energy' infrastructure project.

Elite interviews with bank officials and AIIB experts were conducted in English, given the professional background and linguistic proficiency of the participants. Interviews with project-

related personnel—including local government officials, company managers, and on-site technical staff—were primarily carried out in Chinese. In contrast, interactions with project-affected populations, such as local residents, informal workers, and community representatives, took place in Russian and Kazakh, with the assistance of a local interpreter who was familiar with the regional dialects and socio-cultural nuances.

Throughout the fieldwork, I adopted a flexible approach to recording data. While I used a digital voice recorder or phone app for many interviews—particularly those held in formal or office-based environments—I remained attentive to contextual sensitivities. In settings where audio recording might have introduced discomfort, inhibited openness, or disrupted the natural flow of conversation, I refrained from using it. Instead, I relied on detailed notetaking during and immediately after the interviews to capture key insights. This methodological adaptability was essential in maintaining rapport with participants and ensuring the integrity of the data collected across diverse linguistic, social, and institutional contexts.

Like the existing research, at the desk research stage of this study, I collected and analysed the principles, standards, and rules established by AIIB concerning ‘green infrastructure’ and ‘climate finance’ to understand what ‘green’ means to AIIB and how the bank intends to pursue its ‘green’ agenda. I analysed over 40 core AIIB documents. This includes both publicly available documents—such as annual reports and operational guidelines—and more obscure materials, including media reports that reveal internal perspectives. Out of more than 40 institutional documents issued by AIIB, six types stand out as directly addressing the bank’s commitments and approach to ‘green’. These are: AIIB Environmental and Social Framework, AIIB Corporate Strategy, AIIB Climate Action Plan, AIIB Energy Sector Strategy, the MDB Joint Report on Climate Finance, and AIIB Sustainable Development Bonds Impact Reports. In addition to these key documents that frame the ‘green’ dimension of AIIB, I also draw on annual reports, project lists, and climate-related speeches delivered by the bank’s leadership to provide a fuller understanding of AIIB’s evolving green agenda.

Empirical material for this thesis draws from a combination of semi-structured interviews and publicly available documentary sources. Informed consent was obtained for each interview, either verbally or in writing, depending on the participant’s preference and the cultural or situational appropriateness. All interviews were conducted in line with ethical protocols approved by the University and ODID. To safeguard the privacy and confidentiality of research

participants, pseudonyms have been systematically used, and all identifying details have been anonymised. Where the use of original names was necessary—for example, the names of villages and locations adjacent to project sites—I have retained them only when these were already part of the public domain, including in media reports and project documentation. These measures were essential not only for ensuring participant protection, but also for maintaining transparency and traceability in the research process.

3.3 Ethical Challenges and Research Limitations

By nature, this thesis is built on interpretation. As a qualitative researcher, it is important for me to clarify here the role of interpretation in this project. While this study draws on extensive empirical material and triangulates evidence across multiple sources, including interviews, documents, and secondary materials, qualitative analysis is not ‘an objective laboratory exercise’ in which all researchers would necessarily arrive at identical conclusions (Denzin & Lincoln, 2000; George & Bennett, 2005). Interpretation is an integral part of the analytical process. Data do not ‘speak for themselves’. Instead, they acquire meaning(s) through careful contextualisation, comparison, and theoretical engagement (George & Bennett, 2005). The claims advanced in this thesis are therefore not based on isolated observations, but on patterns that emerge in the fieldwork. In addition, As I show, my findings in the analytical Chapters also speak to the interpretation made by other qualitative scholars in the field, such as Ferguson (1990) on the World Bank and Humphrey (2016) on mainstream MDBs.

At the same time, acknowledging interpretation does not imply analytical shortcomings. Throughout the research process, interpretation is disciplined through systematic triangulation, transparency in data use, and close engagement with existing theoretical and empirical debates (Staa & Evers, 2009). While alternative readings of the material are always possible, the interpretations offered in this thesis are grounded in evidence and informed by established approaches in qualitative and interpretive research. I therefore stand by this methodological approach, which is widely adopted within qualitative social science on development projects (Goldman, 2005; Mitchell, 2002; Ferguson, 1990).

Based on this, there are three general challenges that arise in conducting qualitative research of this kind (on development institutions and their projects): the accountability of data, the representativeness of evidence, and the inherent subjectivity of interpretation.

Using open data and other sources to contextualise interview data brings me to the first challenge of my research approach—namely, data reliability. Any document has been created for a purpose and represents a specific viewpoint (Mills et al., 2010), while research participants bring their own biases and agendas that may taint information produced (Briggs, 2003). In the case of the MDBs, policy documents are often curated to project coherence and expertise, rather than to reveal internal disagreements or political trade-offs. Similarly, elite interviewees—particularly those in MDBs or affiliated ministries—tend to speak in institutional registers, carefully framing their responses in ways that align with official positions. On the other hand, project-affected individuals may hesitate to criticise for fear of repercussions, or may frame their experiences in terms shaped by prior interactions with state or donor actors. These dynamics complicate the reliability of individual statements. To address this, I triangulated data across interviews, documents, and observation, and paid attention to contradictions, silences, and the social context in which information was produced.

The second general challenge is representativeness, especially in ‘snow-ball sampling’. As outlined above, interviewees in both Beijing and Kazakhstan were primarily recruited through referrals—often via professional or institutional networks. The weakness of this ‘snowball’ method is that contacts tend to refer individuals who share similar institutional affiliations, outlooks, or positionalities. This may introduce an unobserved selection bias into the pool of interviewees (Given, 2008). In particular, elite informants at the bank or affiliated ministries may reproduce dominant institutional narratives, while project-affected individuals referred through local contacts may represent more accessible or visible segments of the community. A possible limitation of my approach, therefore, is that interviewing 57 AIIB- and policy-related actors and 46 project-affected stakeholders—most of whom were not selected through random procedures—does not support statistically generalisable claims about either AIIB or public opinion in Kazakhstan. However, three aspects of my research design help mitigate this concern. First, I aimed for variation in institutional position, national background, and role in the project among interviewees. Second, I triangulated interviews with document analysis and participatory observation. Third, the goal of this research is not statistical representativeness, but analytical insight into how meanings of ‘green’ are constructed, communicated, and contested across different sites and scales of MDB intervention.

The third challenge for my research approach is that of subjectivity and the power effects inherent in qualitative research. ‘Power effects’ refer to the researcher as an ‘intrusive outsider’

who influences research outcomes both in terms of data generation and data analysis (Burawoy, 1998). Subjectivity also arises because the researcher's 'gaze' is always filtered through the lenses of language, gender, social class, race, and ethnicity' (Denzin & Lincoln, 2000, p.29). These positional factors shaped the nature of the data I was able to generate, the kinds of rapport I could build, and the meanings I brought to the analysis. To manage these dynamics, I relied on reflexive fieldnotes, methodological triangulation, and critical awareness of my own role in the research process.

Yet, several researcher-specific and case-specific challenges remain in this study.

As a doctoral researcher investigating a China-led development bank and its overseas energy investments, I encountered a number of ethical and practical challenges related to access, language, representation, and positionality. Although I had prior research experience with AIIB (2019-2022) and had engaged with relevant academic and policy communities, securing access to elite informants and internal documentation—particularly in Beijing—remained a significant challenge. As a DPhil student affiliated with a British university but also a Chinese national, my positioning in the field was shaped by both privilege and constraint. While this dual identity sometimes facilitated access—especially among Chinese SOE personnel and officials—it also generated moments of suspicion and ambivalence.

First, in Kazakhstan, the linguistic terrain posed explicit complications. While I am fluent in English and Mandarin, I can only understand basic words in Russian and Kazakh—the dominant languages in the project regions of Zhanatas, Almaty, and Shymkent. This created a partial dependency on local interpreters for interviews with project-affected communities. Although this allowed me to access important voices at the grassroots, it also introduced potential for distortion or omission in translation, particularly regarding culturally embedded terms, emotional nuances, and political sensitivities. I mitigated this risk by conducting follow-up conversations, cross-checking interpretations, and drawing from multiple sources where possible. One Kazakh-speaking friend also helped me to cross-check the interview data and interpretations. Nevertheless, I acknowledge that some subtle aspects of local discourse may have remained inaccessible to me.

Second, the challenges were compounded by the vagueness of decision-making processes in large-scale (green energy project). As other scholars have noted, development banks and

project sponsors often limit access to internal reports and official records. This restricts the researcher's ability to trace how decisions unfold across institutional, national, and local levels (Gui, 2017; Hsueh and Delina, 2022). In the case of the Zhanatas Wind Power Project, while some data—such as procurement documents, environmental assessments, and press coverage—were publicly available, much of the institutional negotiation remained closed to scrutiny. This made triangulation across interviews and documents essential for piecing together a more holistic understanding, as my Chapters 5 and 7 show.

Third, the most significant ethical concern I faced, however, was that of representation—not in Beijing but in Zhanatas. While I was able to engage extensively with AIIB officials, Chinese SOE personnel, and local project managers, access to project-affected populations—particularly informal labourers, migrant workers, and low-income residents—was more constrained. This was partly due to language barriers but also reflected broader structural silences within the (green, in my case) development process itself. In addressing this, I adopted a layered approach to narrative construction, drawing on interviews, participatory observations, and site-level documents to foreground points of tension, contradiction, and exclusion. Inspired by the methodology training at ODID at different stages of my DPhil research, I approached each account with critical reflexivity and an awareness of my own situatedness in the research.

Meanwhile, my own positionality—as a Chinese-born, Western-trained scholar conducting fieldwork in a China-backed development context—shaped not only access but interpretation. On one hand, it afforded me a degree of 'legitimacy' and 'insider access' in formal settings. On the other, it required me to constantly negotiate assumptions of loyalty, critique, and professional identity. Throughout the research process, I made conscious efforts to interrogate my assumptions, reflect on the power dynamics embedded in knowledge production, and remain attentive to what was left unsaid or unseen.

In sum, this research was shaped by multiple layers of ethical, linguistic, and epistemological complexity. Rather than seeing these as limitations alone, I approached them as integral to the research process—factors that not only constrained, but also informed and deepened, the analysis presented in the Chapters that follow.

Specifically, this thesis recognises the methodological limitations and potential biases associated with snowball sampling, particularly the risk of over-representing well-connected

or more visible actors while excluding marginal or dissenting voices. To address this, I adopted a purposive approach within the snowball framework, aiming to ensure diversity within each stakeholder group. Efforts were made to include respondents occupying different positions within institutional hierarchies, as well as those with divergent views or limited access to formal channels of influence. This was particularly important in capturing the complexity of stakeholder perspectives across both institutional and project levels. Furthermore, I remained reflexive throughout the research process, continuously interrogating how my presence, identity, and affiliations might have shaped access, rapport, and the interpretation of data. Some detailed reflections are also made in the empirical analysis in Chapters 5, 6, and 7.

Chapter 4 The Imperative to Make an MDB

Chapter 4 explores the foundational aspects of AIIB with empirical evidence: what it is, who governs it, who funds it, and the objectives it seeks to achieve. It also examines the bank's potential and limitations: what it can do, what it is mandated to do, and what it must not do. The aim of this Chapter is to provide both empirical and theoretical grounding to equip readers—whether general or expert—with the necessary background before they engage with the more nuanced discussions in Chapters 5, 6, and 7.

To begin with, AIIB is a new MDB created by China and governed by its 110 shareholding member countries. Its money comes from the global capital market, as well as its shareholders. The bank's management, however, is done by its Chinese presidents and an international board of directors representing China, Russia, India, Germany, and Korea (Wade, 2016).

The timeline of AIIB's establishment is also well-documented. The idea of creating a 'China-led multilateral development bank (MDB)' dates back to 2013, when the Chinese President Xi Jinping proposed it during his state visit to Indonesia. In October 2014, following months of intense negotiations, 21 countries signed a Memorandum of Understanding (MoU) to establish the bank (State Council of PRC, 2014). By 2015, several European countries had also decided to join, while the United States and Japan continued to decline membership. Finally, in January 2016, AIIB was officially established in Beijing and held its inaugural governors' meeting.

However, what remains less clear—and requires empirical investigation—are the intentions of the bank. Key questions include: Is AIIB fundamentally a 'Chinese' bank or a genuinely 'multilateral' institution? Whose interests does it primarily serve? Why have countries from both the Global North and Global South chosen to join (Wang, 2018)? And how is AIIB different from the mainstream MDBs? Addressing these questions is essential to understanding the bank's evolving green agenda.

In this Chapter, I argue that AIIB is far from being an independent multilateral bank. Rather, it has been designed to serve three key functions: (1) financially, to utilise China's large currency reserves, (2) diplomatically, to substantiate China's BRI, and (3) politically, to offer an alternative to the Western-led multilateral development finance system. Despite having a multilateral governance structure and a market-driven funding model, AIIB ultimately

functions as an instrument of China's diplomatic and geopolitical influence. In this regard, it is not fundamentally different from its peers, such as the US-founded World Bank, the Japan-founded Asian Development Bank (ADB), and the European-founded European Bank for Reconstruction and Development (EBRD).

What distinguishes AIIB, then, is its distinct 'Chinese characteristics'. These include (1) abundant financial resources, (2) an efficient and pragmatic decision-making process, and (3) geopolitical advantages that align with Asia's broader infrastructure need. This 'Chinese characteristics' proved to be attractive to the bank's many European shareholders and Southern clients.

In this sense, Chapter 4 serves and speaks to the first research question—how AIIB conceptualises 'green' and translates it into policy—and the third research question—to what extent and in what ways 'green' can depoliticise the expansion of AIIB and China.

Chapter 4 provides essential background information before delving into the more complex discussions in Chapters 5, 6, and 7. It serves both as an introduction—drawing on my synthesis of various documents and data—and as an empirical analysis—grounded in my fieldwork in Beijing. Nonetheless, it remains engaged with the broader literature, particularly on AIIB and MDBs.

Section 4.1 focuses on AIIB's founder—China. I analyse China's intentions prior to the establishment of AIIB. I argue that while the project of building AIIB is resource-intensive and time-consuming, its benefits outweigh its costs.

Section 4.2 examines AIIB's diverse shareholders and clients. While China has steered the bank in its preferred direction, other stakeholders have exerted influence, pulling it in different ways. Together, these forces have shaped the institution into what it is today.

Section 4.3 turns to the bank itself. I explore the sources of its power—where authority originates and where it is exercised. I also trace financial flows—how capital enters the bank and where it goes to. Ultimately, I highlight the bank's distinctiveness, which I refer to as its 'Chinese characteristics'.

Section 4.4 concludes by restating my main argument and engaging with ongoing debates on AIIB and MDBs.

4.1 The Imperative: China

Today, AIIB has emerged as one of the world's most influential development finance institutions (AIIB, 2024a; Freeman, 2019). While its creation process is well-documented (as outlined in Chapter 1), the question of why the bank was established remains contested.

The existing literature approaches AIIB from several perspectives. For instance, Gu contends that AIIB represents China's own version of 'multilateralism' at the international organisational level (Gu, 2017). In contrast, Stephen and Skidmore argue that AIIB was created by China to 'revise' the Western-dominated multilateral development finance system (Stephen & Skidmore, 2019). While these studies offer valuable insights, I argue that they fail to capture the complexity of China's motivations in the establishment of AIIB. Specifically, they overlook the broader context of China's international development strategy since 2012, within which AIIB plays a crucial role.

In this Section, I argue that China created AIIB not merely to showcase its 'multilateralism' or to 'add a window for development finance' (Avellán et al., 2024; Callaghan & Hubbard, 2016; Gu, 2017), but as a strategic instrument embedded within its broader international development agenda. I contend that AIIB is far from being the independent multilateral bank that many perceive it to be. Rather, it was designed to serve China's interests financially, diplomatically, and politically.

4.1.1 Utilise Currency Reserves

The idea of establishing a 'Chinese MDB' emerged long before President Xi Jinping formally introduced it in 2013. Most likely, it dates back as early as 2009. In April 2009, during the Bo'ao Forum, China's top leaders signalled their intention to make better use of the country's growing foreign currency reserves in response to the 2008 financial crisis. While they did not explicitly mention 'AIIB' by name, at the point, Chinese government officials began advocating for the creation of a 'regional institution' focused on 'infrastructure investment' in Asia.

This idea was most prominently articulated in a speech by former Chinese Premier Wen Jiabao at the Bo'ao Forum:

It should be noted the international financial crisis is still spreading, the basic landscape of world economic recession remains unchanged, the problems of the financial system are yet to be solved, the deterioration of real economy is worse than expected and the global economic recovery might take a long period of time and experience twists and turns.

...

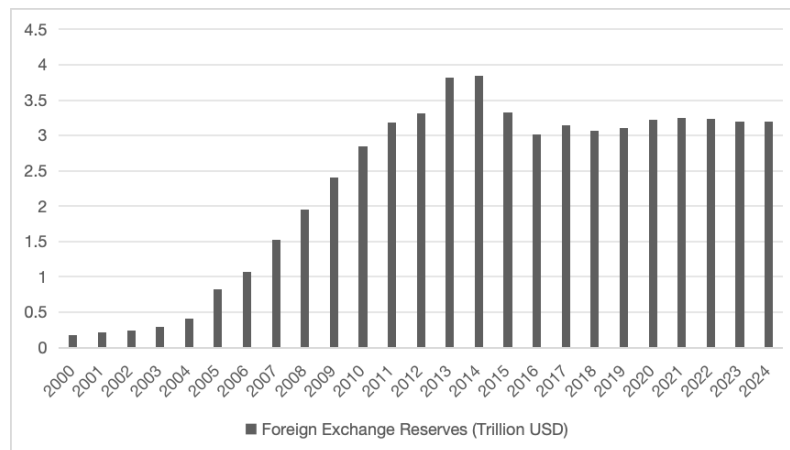
We will unswervingly practice the proactive fiscal policy and moderately loose monetary policy, spare no effort to implement the package plan with a view of coping with the crisis in an all-round way, try to minimize the impact of the financial crisis and promote the stable and relatively fast growth of the Chinese economy.

...

Reinforce financial cooperation and try to maintain regional financial stability. We should make best use of the bilateral currency swap agreements and study how to expand the swap lines and incorporate more countries in the agreements. ...Complete the building of the regional foreign exchange pool and increase the capacity of the region to guard against financial crisis. The development of Asian bond market should be sped up in order to better use the fund within this region and promote the development of Asian economy (MFA of PRC, 2009).

To analyse Wen's speech faithfully, it reflects nothing but China's initial financial motivations behind the idea of AIIB. First, China had been struggling to manage its rapidly growing foreign currency reserves since joining the WTO in 2001. In 2001, China held approximately USD 0.22 trillion in foreign exchange reserves. By 2008, this had surged to USD1.95 trillion, reflecting the rapid accumulation of foreign capital (SAFE, 2025). The 2008 financial crisis made China's top leadership acutely aware of the need to secure safe, stable, and rewarding investment opportunities. At that point, infrastructure investment in Asia emerged as an attractive option.

Figure 4.1 China's Foreign Exchange Reserves



Second, and arguably more importantly, the strategic rationale behind AIIB's initial conception was to de-risk China's sovereign investments, which at the time were primarily concentrated in dollar-backed assets and US government bonds. By 2014, China's foreign reserves had peaked at USD 3.84 trillion, the highest in its history, reinforcing concerns about overexposure to the US financial system (SAFE, 2025). For Chinese policymakers, such an imbalance implied potential vulnerabilities and excessive risks. By at least 2008–2009, it had become clear to China's leadership that diversifying its sovereign investments was a necessary course of action.

This perspective was later echoed in China's state-owned media during AIIB's establishment. Cheng Zhiqiang, a professor at Peking University, commented on AIIB at China's state media:

AIIB meets the needs of China's economic development and increasing its international influence. China's establishment of AIIB and the use of its foreign exchange reserves for capital injection can improve the efficiency and return of the use of foreign exchange reserves and strengthen the diversity of foreign exchange reserves.

...

AIIB provides capital injection and infrastructure construction for Asian countries to promote their economic development, which in turn can drive and enhance the overseas market demand for Chinese goods and promote the mutual benefit between China and other Asian countries (Cheng, 2015).

Cheng's comment, along with statements made by Chinese leaders at the Bo'ao Forum, encapsulates China's underlying considerations behind the initial idea of AIIB. They can be

summarised in simple terms. First, China had gotten some extra money. Second, it was reluctant to invest it all in its potential rival—the United States. If anything, the analysis in this Subsection reflects the very nature of AIIB. From the outset, the bank was imagined and conceptualised as China’s instrument for managing its evolving economic and geopolitical challenges. Furthermore, even before AIIB formally took shape, its underlying rationale was centred on identifying bankable, stable, and promising investment opportunities, both regionally and globally.

4.1.2 Substantiate China’s BRI

While the financial motivations behind China’s establishment of AIIB are often overlooked, its second goal—a diplomatic one—is widely recognised. Simply put, China sought to substantiate its otherwise vague BRI with concrete institutions and agreements, such as AIIB.

Put simply, the BRI is China’s massive infrastructure and development project that aims to influence the globe (BRI Portal, 2024; Council on Foreign Relations, 2023). In 2013, China announced the ambitious BRI to improve the connectivity and cooperation between East Asia and Europe through physical infrastructure. In the following decade, the project soon expanded to Africa, Latin America, and Oceania, representing what is often assumed ‘an unsettling extension of China’s rising power’ (Council on Foreign Relations, 2023). According to the World Bank, by only 2018, the BRI had included more than one-third of world trade and GDP, as well as over 60 per cent of the World’s population (World Bank Group, 2018b).

The initial problem of BRI was that it was created as a sort of vague, broad, idealistic ‘wishful slogan’. To address this, China has been substantiating BRI at both the multilateral and bilateral level. At the multilateral level, the BRI has spurred the creation of various multilateral partnerships, investment funds, and development banks, such as AIIB, to promote financing and development across participating countries. At the bilateral level, the BRI also operates through China’s direct agreements with individual countries tailored to meet their specific development needs. These agreements often include the construction of critical infrastructure projects such as roads, railways, ports, and energy systems. In practice, the multilateral and bilateral components of the BRI often complement each other to enhance the initiative’s overall impact, as well as China’s central role in it

In 2013, Chinese President Xi Jinping introduced the concept of AIIB during his state visit to Indonesia. In his meeting with the Indonesian President, Xi stated:

To promote regional connectivity and economic integration, China proposes the establishment of the Asian Infrastructure Investment Bank and is ready to provide financial support for infrastructure development in developing countries in the region, including ASEAN countries. The new Asian Infrastructure Investment Bank will work with existing multilateral development banks outside the region to complement each other and jointly promote sustained and stable economic development in Asia (People's Daily, 2017).

Following Xi's announcement, on 24 October 2014, twenty-one countries signed a Memorandum of Understanding (MOU) in Beijing, marking the formal initiation of AIIB. These founding signatories included Bangladesh, Brunei, Cambodia, India, Kazakhstan, Kuwait, Laos, Malaysia, Myanmar, Mongolia, Nepal, Oman, Pakistan, the Philippines, Qatar, Singapore, Sri Lanka, Thailand, Uzbekistan, and Vietnam (State Council of PRC, 2014). Indonesia's participation was slightly delayed due to its newly elected administration requiring additional time to review the membership terms. Nevertheless, Indonesia signed the MOU on 25 November 2014.

While the actual negotiations were far from smooth (as the following Section will elaborate), by 2015, the idea of AIIB had managed to build a broad consensus, securing the support of approximately 57 countries. The *Articles of Agreement*, which serve as the bank's legal foundation, were finalised during the fifth Chief Negotiators' Meeting (CNM). On 29 June 2015, 50 of the 57 prospective founding members signed the agreement in Beijing, while the remaining seven joined later (AIIB, 2016).

By this point, China's paramount leadership was finally more confident that the establishment of AIIB would significantly reinforce the BRI, at least in its multilateral dimension. For one, AIIB had offered a substantial financial vehicle to support BRI (projects). The many potential BRI projects would now appear to be 'multilaterally invested' rather than 'China-backed'. For two, AIIB provided an institutional mechanism to maintain and legitimise China's central role in BRI-related projects. For three, and more importantly in my opinion, the creation of AIIB carried vital diplomatic meanings.

At AIIB's inaugural ceremony in January 2016, Xi said the following in his long speech.

Now is a moment that will be recorded in history. Today, representatives from 57 countries are gathered in Beijing for the opening of the Asian Infrastructure Investment Bank -- the AIIB, and the inaugural ceremony of the AIIB Board of Governors and Board of Directors.

...

The founding of the AIIB proves once again that whenever there is a will, there will be a way. We are confident that when faced with the task of advancing world peace and development, so long as the international community has the will for consensus building and for win-win progress, we will be able to not only draw the big plan, but also turn it into reality.

...

China will continue to contribute to global development and will continue to pursue an opening up strategy of mutual benefit. The door of China's opening up will never shut and China welcomes all countries to ride on its development. ... And China continues to welcome AIIB and other international financial institutions to take part in the building of the Silk Road Economic Belt and 21st Century Maritime Silk Road (AIIB, 2016).

In many statements like this, AIIB was positioned as a central pillar of BRI by being explicitly linked 'the Silk Road Economic Belt and the 21st Century Maritime Silk Road' (AIIB, 2016; Cheng, 2015). This confirms what many had already observed—AIIB was not just about infrastructure investment. More significantly, it was a symbol of the concreteness and the faithfulness of China's emerging BRI. Even when positioned within the BRI narrative framework, AIIB carries diplomatic meaning. China's paramount leaders' emphasis on 'openness', 'mutual benefit', and 'inclusive development' sent a clear message: AIIB was not merely about China's interests but about 'global development'.

4.1.3 Supplement the Multilateral Development Finance System

China's establishment of AIIB also serves a third, more subtle and nuanced goal: to offer an alternative to—or at least supplement—the existing development finance system.

For a long time, China has been dissatisfied with the US-dominated development finance system. Since the 2000s, the Chinese government has repeatedly criticised what it perceives as 'US hegemony' in international development, which is traditionally associated with 'rule-based

multilateralism, economic openness, and the spread of liberal values’ (Babb, 2013; Barnett and Martha, 2004; Ikenberry, 1992, 2009; Xu, 2016). This perspective is not limited to Chinese officials; in academic literature, both Western and Chinese scholars in international relations and political economy have argued that the creation of ‘a Chinese MDB’ represents a significant shift in the development finance landscape (Andornino, 2019; Basri, 2019; Wang, 2018; Zhu, 2019; Zhao, 2021).

More specifically, in the context MDB governance, China has argued for the necessity of more Southern-led MDBs to counterbalance Northern-led institutions such as the World Bank and the ADB. In practice, Northern-led (or conventional/mainstream) MDBs typically impose a set of mandatory standards that borrowing countries must adhere to. To comply, recipient countries—which are also often Southern countries—often have to align their domestic legal and political systems with developed-country norms (Babb, 2009; Reisen, 2015). This approach is commonly referred to as harmonisation (Dann and Riegner, 2019; Gallagher and Yuan, 2017; Horberry, 1985; Robert, 2016). However, research has explored how Southern-led MDBs function as a supplement to this model by promoting a non-harmonisation approach in the region. This alternative model grants borrowing countries greater autonomy and flexibility in monitoring and evaluating projects within their own legal and political frameworks (Gransnow and Price, 2019; Gu, 2017; Ren, 2016; Vazquez and Chin, 2017; Ying, 2017).

Table 4.1 Shareholder Structure of MDBs

Multilateral Development Bank	Weight of ‘Northern’ Countries	Weight of ‘Southern’ Countries
World Bank	54.55%	45.45%
Asian Development Bank	54.91%	45.09%
Asian Infrastructure Investment Bank	31.66%	68.34%
New Development Bank	0%	100.00%

Note 1. The table was made based on the official documents (or websites) of AIIB, including AIIB Financial Statement 2022, AIIB 2021 Annual Reports and Financials.

Note 2. While there are debates over China’s position, in this thesis, I identify China as a Southern country. The ‘southernness’ is characterised not only by economic status but also political stances and historical experiences (Sud & Sánchez-Ancochea, 2022).

R, an analyst at AIIB understood China’s political intention behind the creation of AIIB:

For China to revise the system, if it wants to, the best way, in my opinion, is not to criticise but to construct. I mean, building its own institution. This is the best way to show it to the world, if you are unhappy with the mainstream MDBs, then what it is that you believe can be a better option.

...

This also explains why we don't politically do things. We do our business professionally. I guess this is the best and the only way to 'be political', as you said.⁹

Interviews with experts on MDBs further reveal the political considerations behind China's creation of AIIB. D, a scholar specialising in MDBs, stated:

The US hegemony in the international development order is not a secret. Nor is China's growing ambitions. I think China is constructively doing two things at the same time. First, to enlarge its voice in the conventional institutions, such as the World Bank and the IMF. It wants a more reasonable representative—one that can at least reflect the money it contributes to these institutions. The second, obviously, is to make its own institutions. ...AIIB is a perfect example of the Chinese version of 'multilateralism'. ...I think both of its measures have been quite successful so far.¹⁰

To sum up, the statements of R and D show that AIIB represents more than just an alternative MDB. It is a strategic instrument in China's broader effort to redefine its role in the international development landscape. On one hand, China seeks to change existing institutions from within, advocating for a greater voice in organisations like the World Bank and IMF to reflect its economic contributions. On the other, it is actively constructing parallel institutions that provide alternative frameworks for development finance, with AIIB serving as a flagship example of what a 'Chinese multilateralism' might look like. This dual approach—revision and creation—demonstrates China's pragmatic engagement with the existing system while simultaneously carving out new spaces for influence. AIIB, in this sense, is not the culmination of China's ambitions but a significant step in an ongoing process of China's rise—one that will continue to evolve.

4.2 The Push and Pull: Shareholders and Clients

In this Section, I go further to uncover the nuanced dynamics that I term 'the push and pull'

⁹ Interview with R, an analyst at AIIB, AIIB HQ, Beijing, 5 December 2023.

¹⁰ Interview with D, a scholar studying MDB, based in Beijing, 22 October 2023.

behind AIIB's creation. Specifically, I examine how AIIB's various stakeholders and clients have sought to embed their interests into the institution by influencing how it would be built.

At the outset, it is important to clarify that the purpose of this Section is not to demonstrate how challenging it has been for AIIB to secure broad support. Rather, my aim is to faithfully present the environment itself—an environment characterised by competing pressures and negotiations. This is the very context that has later compelled AIIB to seek a unifying common ground that is 'green', as Chapter 5 will illustrate, to accommodate the diverse priorities of its shareholders and clients.

4.2.1 European Shareholders

By June 2014, China had largely decided to establish its own version of MDB. That month, it doubled down on its efforts by increasing its planned initial investment from USD 50 billion to 100 billion (AIIB, 2016). This move not only strengthened AIIB's initial credit rating but also reinforced China's control over the bank's governance structure. The decision proved to be strategic—by November, the number of countries signing the Memorandum of Understanding (MOU) exceeded expectations.

The 21 countries that signed the MOU are all developing countries, including: Bangladesh, Brunei, Cambodia, China, India, Kazakhstan, Kuwait, Laos, Malaysia, Mongolia, Myanmar, Nepal, Oman, Pakistan, the Philippines, Qatar, Singapore, Sri Lanka, Thailand, Uzbekistan and Vietnam (State Council of PRC, 2014).

For China, the participation of 21 developing countries in AIIB was a significant achievement, symbolising that its ambitions were gaining recognition beyond its own borders. However, a major concern was the absence of developed countries expressing interest in the bank. This became particularly evident after US officials publicly stated that the United States would not join AIIB (as shown in Subsection 4.2.3). The lack of interest from developed economies posed a challenge for China, as it risked reinforcing the perception that AIIB was merely a China-led initiative rather than a truly multilateral institution (Freeman, 2019).

While there is no clear documentation, it is evident that negotiations between the Chinese government and European countries began at least in late 2014. For European stakeholders, a

China-led MDB presented both opportunities and risks. On one hand, joining AIIB would allow them to shape the development of a young yet promising institution. Membership would also enable European shareholders to influence the bank's decision-making process and direct China's financial resources towards their preferred areas of investment, such as solar power (AIIA, 2016). On the other hand, concerns emerged regarding AIIB's governance standards, particularly in relation to transparency, accountability, and Environmental and Social Frameworks (ESF). Additionally, opposition from the United States played a significant role in shaping European deliberations.

For AIIB, European participation also represented a double-edged sword. Most directly, the inclusion of European shareholders would enhance the bank's credit rating. The membership of major economies such as the United Kingdom and France would reinforce AIIB's legitimacy, demonstrating that it was a truly representative and credible multilateral institution. More importantly, their participation would help AIIB achieve a balance in its shareholder structure—between the Global North and South, developed and developing economies, and regional and non-regional members.

However, accommodating the 'picky' European shareholders meant that AIIB had to adjust its development trajectory. For instance, the ESF needed to incorporate more of Europe's regulatory concerns. The definition of 'bankable' projects would likely be influenced by European standards, potentially raising approval thresholds (Watt et al., 2015). More critically, European shareholders could challenge China's original vision of how the bank should be governed and operated.

G, AIIB's high-level official, shared his perspective on European shareholders during a semi-structured interview. He discussed their role in shaping the bank's governance, the opportunities and challenges their participation brings, and the ways in which their influence has affected AIIB's institutional development.

I would not be able to tell you how exactly they [European shareholders] decided to finally join the bank. But I should let you know that it was a long process. A lot of talks, formal, informal. ...The west [European shareholders] absolutely means something new. A new way of thinking about the relations between human and nature. A new way of balancing

between benefits and risks. And a new way of governing banks too. ...The [European countries'] decisions to join AIIB are right. For me, at least.¹¹

In March 2015, UK's Chancellor of the Exchequer, George Osborne, announced that the UK intends to become a prospective founding member of AIIB. In doing so, the UK would be the first major Western country to seek to join AIIB. George Osborne said:

I am delighted to announce today that the UK will be the first major Western country to become a prospective founder member of the Asian Infrastructure Investment Bank, which has already received significant support in the region.

...

This government has actively promoted closer political and economic engagement with the Asia-Pacific region and forging links between the UK and Asian economies to give our companies the best opportunity to work and invest in the world's fastest growing markets is a key part of our long term economic plan. Joining the AIIB at the founding stage will create an unrivalled opportunity for the UK and Asia to invest and grow together (UK Government, 2015).

Shortly after Osborne's decision, the US government sent out its harsh criticism. In its statement to the Guardian, the White House national security council said:

Our position on the AIIB remains clear and consistent. The United States and many major global economies all agree there is a pressing need to enhance infrastructure investment around the world. We believe any new multilateral institution should incorporate the high standards of the World Bank and the regional development banks.

...

Based on many discussions, we have concerns about whether the AIIB will meet these high standards, particularly related to governance, and environmental and social safeguards ... The international community has a stake in seeing the AIIB complement the existing architecture, and to work effectively alongside the World Bank and Asian Development Bank (Watt et al., 2015).

The explicit opposition from the U.S. government was clear, but it was the UK's decision that proved to be particularly influential. Following Chancellor George Osborne's announcement, a wave of European countries—including France, Italy, Spain, and Germany—as well as

¹¹ Interview with G, AIIB's high-level official, AIIB HQ, 5 December 2023.

African nations such as Egypt—declared their intention to apply for AIIB membership in March 2015. Despite direct warnings from the United States, South Korea also announced its decision to seek membership in China’s MDB, signalling a shift in regional alignment (AIIB, 2016).

After another three months of intergovernmental negotiations, on 29 June 2015, 57 prospective founding members convened in Beijing to sign AIIB’s Articles of Agreement, marking the formal establishment of the institution’s legal foundation.

4.2.2 Southern Clients

While European shareholders aim to pull AIIB in one direction, the bank’s Southern clients appear to push it in another. Recent studies have highlighted how MDB lending is increasingly shaped by the needs of borrowing countries (Güngen, 2023; Humphrey, 2022). The demand-side factors, just as much as the supply-side factors, influence the evolution of MDBs (Humphrey & Michaelowa, 2013). This suggests that often-overlooked Southern borrowing countries play an active role in shaping an MDB’s design, governance, and lending priorities. AIIB, as a newly established bank, serves as a living example of this dynamic. Prominently, during its establishment stage, the bank’s prospective Southern clients expressed interests that differed significantly from those of its European shareholders, ultimately shaping the way AIIB was structured and governed.

The biggest demand from AIIB’s Southern clients was to receive ‘extra money’—an alternative source of development finance. Recent estimates highlight the scale of the global infrastructure financing challenge. Between now and 2040, an estimated USD 84.5 trillion will be required for infrastructure investment, including a projected USD 16 trillion gap in sustainable infrastructure financing (Infra Outlook, 2025). A 2022 report by the Independent High-Level Expert Group on Climate Finance estimates that USD 1.2–1.7 trillion per year will be needed for sustainable infrastructure by 2030—double the current annual contributions of approximately USD 600–800 billion (LSE, 2022). In practice, closing this substantial financing gap will require mobilising private capital and generating a pipeline of ‘bankable’ projects at an unprecedented scale, leveraging resources from multiple sectors of the global financial system (AIIB, 2023b). In the eyes of many southern clients, AIIB was built to fill such a crucial gap in infrastructure finance by addressing these challenges in a way that existing MDBs, such

as ADB and the World Bank, had struggled to fully meet.

L, one of the bank's high-level officials, made this point explicitly clear:

I would say that for the majority of our clients, AIIB represents an alternative opportunity to raise money for projects. This is the first and most important thing. When the quantity of the funding is insufficient, it would be hard to talk about the quality of the funding. ... You asked me how AIIB managed to attract so many member countries, I think its potential [to offer money] and its background [China] should not be missed.¹²

Second, the bank's Southern clients also seek 'low-cost money' from AIIB. By 'low cost,' they refer to lower interest rates and faster loan approvals. Unlike traditional lenders, which often impose stricter financial and governance conditions on developing countries due to perceived investment risks, AIIB is expected to offer not only development finance but also funding that is more accessible and efficient. Since 2016, southern-led development banks like AIIB and NDB are seen as potential challengers to structural inequalities in the global financial system by providing more borrower-friendly terms, characterised by lower borrowing costs and a streamlined approval process (Güngen, 2023; Ray & Kamal, 2019). This role positions AIIB as an alternative to existing multilateral development banks (MDBs) that have historically imposed higher barriers to access for developing economies (Barrowclough et al., 2021).

Table 2 outlines the different sources of financing available for development projects, highlighting key variations in interest rates, loan terms, and attached conditions. AIIB offers loans at interest rates 'around' 3%, with repayment periods ranging from 15 to 30 years, making its financing terms more favourable compared to commercial banks, which charge significantly higher interest rates (5%–12%) with shorter repayment periods of 5–10 years.¹³ Bilateral loans, on the other hand, vary in interest rates and typically come with political conditions that may influence borrowing countries' policy decisions. AIIB's lending model distinguishes itself by combining long-term, low-cost financing with environmental and social conditions rather than purely financial or political stipulations. This approach positions AIIB as a competitive alternative to traditional state-led or state-backed development finance institutions, particularly for Southern clients seeking more flexible and development-oriented funding mechanisms.

¹² Interview with L, high-level official, AIIB HQ, Beijing, 23 November 2023.

¹³ Information collected from interviews in Beijing, especially with S (former staff), L (high-level), and O (specialist).

However, the advantage is not built without costs. From the perspective of institutional design, to achieve this, AIIB would need to sacrifice some of the higher standards advocated by its European shareholders, such as more rigorous project assessments. The low-cost money also means that the bank would have less space for its profit. This trade-off creates a dilemma—AIIB is being pulled towards adopting higher governance and financial standards to satisfy European members, while simultaneously being pushed towards a more flexible, borrower-friendly model to meet the demands of its Southern clients.

Table 4.2 Sources of Money for Development Projects¹⁴

Lender	Interest Rate	Terms	Conditions
AIIB	Below 3%	15-30 years	Environmental and social
Commercial Banks	5%-12%	5-10 years	Financial
Bilateral Loans	Depends	10-20 years	Political

Third, an even greater challenge for AIIB was that many of its clients sought ‘easy money’—funding with fewer restrictions. For many borrowers, AIIB’s World Bank-like ESF was seen as an obstacle rather than an assurance of sustainability. Strict ESF standards automatically exclude high-risk projects, limiting the scope of investments. Additionally, AIIB’s stance on not financing coal or traditional energy projects was perceived by some clients as a constraint, reducing their available funding options for energy infrastructure.

Moreover, many borrowing countries favoured a centralised decision-making process, which would ensure that funds could be disbursed in ‘a more pragmatic and efficient manner’. This preference for speed and flexibility over extensive safeguards has been echoed in several of my interviews with AIIB officials.

S, the bank’s former staff, shared a particularly insightful perspective during our conversation:

There are definitely differences [interests] within the bank, largely between the OECD shareholders and the non-OECD [shareholders]. ...There is no right and wrong. It is just that people draw policy implications from different parts of the realities. And the bank knows that. ...We are an institution. Our job is to pull these needs together and find a

¹⁴ Ibid.

common ground, not necessarily for everyone, but hopefully [for] the majority of people.

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A, a professor who does critical research on World Bank projects, also revealed the nature of this potential conflict:

A: It is almost a common thing in MDBs. Countries that invest the money want to spend that money carefully and cautiously. Countries that borrow the money want to receive the money as fast as they can.

Author: How does this usually show within a bank, say, some organisations like AIIB?

A: Many ways. ...Voting is one thing. ...If you have access, you can also look into how they frame their statements.

A: Behind the different voices are the different interests. ...And, eventually, different experiences.

Author: Of what?

A: Of running an institution, or a state.¹⁶

Notably, this sub-Section highlights a fundamental tension within AIIB—one that exists in most MDBs: the divergence between shareholders and borrowers. As S, the bank's former staff, and A, a professor, indicate, this divide is shaped by differing priorities, financial interests, and governance expectations. Ultimately, AIIB, like its peers, operates as a balancing mechanism, seeking to reconcile these competing interests.

4.2.3 US and Japan

What appears attractive as 'Chinese characteristics'—abundant financial resources, a pragmatic decision-making process, and a unique geopolitical and industrial focus—ultimately emerged as a strategic threat to the United States and its allies. These features, which positioned AIIB as a viable alternative to Western-led financial institutions, challenged the traditional dominance of the World Bank and IMF.

The opposition from the United States was evident from the very beginning. As early as 2015, the Obama administration publicly stated that it was not interested in joining AIIB, citing concerns that the bank did not adhere to governance and operational 'guidelines similar to those

¹⁵ Interview with S, former staff, Online, 23 October 2023

¹⁶ Interview with A, professor in international organisation, 6 November 2023.

used by the World Bank and International Monetary Fund (IMF)' (The White House, 2015; Watt et al., 2015).

In a press conference, President Obama made the following remarks regarding AIIB:

If we're going to have a multilateral lending institution, then you have to have some guidelines by which it's going to operate. That's how the World Bank operates. That's how the IMF operates. There may be weighted votes in terms of who's the biggest contributor, but you've got to have some transparency in terms of how the thing is going to operate -- because if not, a number of things can happen. Number one, money could end up flowing that is misused, or it doesn't have high accounting standards, and we don't know what happens to money that is going into projects.

...

And if, in fact, the Asia Infrastructure Bank that is being set up ends up having those kinds of safeguards, is run in a way that ultimately is actually going to lead to good infrastructure and benefit the borrowing countries, then we're all for it.

...

But if it's not run well, then it could be a negative thing. And what we don't want to do is just be participating in something and providing cover for an institution that does not end up doing right by its people (The White House, 2015).

While the United States framed its concerns around AIIB's institutional design, what truly troubled the Obama administration was China's growing influence in development finance and geopolitics. More than just a financial entity, AIIB was perceived as a strategic tool for China to expand its economic reach, diplomatic leverage, and leadership in global governance, particularly in regions where U.S. influence had traditionally been dominant. The points were also made clear in Obama's statement.

The projects themselves may not be well-designed. They may be very good for the leaders of some countries and contractors, but may not be good for the actual people who live there.

...

Because when these countries borrow money, even from a development bank, for a boondoggle project that doesn't work, they're oftentimes still on the hook for paying that

money back. And there have been experiences like that across continents and across decades.

...

China has got a lot of money. It's been running a big surplus for quite some time. So to the extent that China wants to put capital into development projects around the region, that's a positive. That's a good thing (The White House, 2015).

By March 2015, the United Kingdom had already announced its interest in joining AIIB. Shortly after Chancellor George Osborne's statement, the Obama administration issued a clear and direct criticism. A U.S. official told the *Financial Times*:

We are wary about a trend toward constant accommodation of China, which is not the best way to engage a rising power (Watt et al., 2015).

Harsh as these remarks were, they did not deter America's European allies from pursuing membership. France, Germany, and Italy soon followed the UK's lead, reinforcing a growing European alignment with AIIB despite Washington's concerns.

A similar dynamic played out in Asia and Australia. The United States allegedly attempted to avoid Australia and South Korea from becoming prospective founding members after both countries expressed interest in the bank. However, these efforts proved unsuccessful. In March 2015, both Australia and South Korea officially applied for AIIB membership. The South Korean Ministry of Strategy and Finance justified its decision by emphasising AIIB's potential to 'help South Korean companies secure infrastructure contracts while also expanding South Korea's influence in international banking as a founding member' (Sang-Hun, 2015).

The only exception was Japan, the founder and largest shareholder of ADB. As the strongest US ally in the region and a key player in the existing MDB system, Japan opted to stay out of AIIB. At the time, Prime Minister Shinzo Abe addressed the issue in a press statement, stating:

For Japan to participate in the AIIB is a decision that which we have not taken yet.

...

In particular, the board to review individual projects and to approve of this is indispensable. And that sustainability, and the environment and society and the impact of this should be considered. We need to secure this.

...

It's not only about the lenders, but the borrowing nations.... And so in that sense, a proper review as to whether lending the money to a country will be of benefit to the country. Rigorous review is very important.

...

So from such a standpoint, Japan and the United States should cooperate, and we need to continue dialogue with China -- and it is my intention to do so (The White House, 2015).

The U.S. and Japan, despite not joining the bank, also became a part of my understanding of the 'push and pull'. Facing scrutiny from two of the most influential players in global development finance, AIIB had to be more cautious in structuring its governance, operational policies, and lending frameworks to ensure its legitimacy. Ultimately, as Chapter 5 will also show, the U.S. and Japan's opposition at the bank's establishment stage somehow played a paradoxical role—while they tried to limit AIIB's influence, their pressure contributed to the bank's later efforts to establish itself as a credible 'green' bank.

4.3 Running the bank

After explaining the bank's logic—why it was established and whom it is designed to serve—I now turn to its actual institutional design. Sections 4.1 and 4.2 provide critical insights that allow us to understand AIIB not only from a financial perspective but also through the lenses of politics and geopolitics.

Two core principles stand out:

First, like any other MDB, such as the World Bank and ADB, AIIB ultimately serves the interests of its founding country. Second, AIIB—also like any other MDBs—must reconcile the competing interests of its diverse shareholders and clients.

My fieldwork in Beijing revealed that AIIB has been and will continue to be built based on these two principles.

4.3.1 The Power Flow

AIIB's governance structure can be explained in a simple way, which I term 'the power flow'. The power flow indicates where the bank's power comes from and where the bank's power

goes to (Figure 2). Understanding this governance structure is key to analysing how AIIB functions as both a financial institution and a geopolitical actor.

Figure 4.2 AIIB's Power Flow



Sources: Made by the author.

On the left side of the power flow is the Board of Governors, the highest decision-making body. Each member country appoints one Governor and one Alternate Governor, typically senior officials such as finance ministers or central bank governors. The Board of Governors meets annually in principle, though it can convene for special decisions. It holds the authority to approve major institutional changes, including amendments to the Articles of Agreement, capital increases, and the admission of new members (AIIB, 2025c). However, the Board of Governors delegates most operational responsibilities to the Board of Directors, making the latter what I found to be the actual body for AIIB's day-to-day governance.

In the middle, the Board of Directors consists of 12 members, each representing one or more AIIB member countries. Among them, nine Directors come from regional (Asia-Pacific) members, while three represent non-regional members. Notably, one non-regional constituency represents Eurozone EU member states, and another represents non-Eurozone European countries. Normally, the Board of Directors is responsible for approving AIIB's strategic direction, policies, annual budget, and investment decisions. It also supervises the bank's management and ensures an oversight mechanism is in place to review AIIB's financial and operational performance (AIIB, 2025f).

While the Board of Directors exercises oversight, Senior Management, led by a Chinese President, is responsible for executing AIIB's policies and projects. AIIB President is elected by the shareholders for a five-year term and can serve a maximum of two terms. So far, AIIB's only president is Jin Liqun, China's former finance minister. The President is supported by a team of Vice Presidents, each overseeing key functions such as policy and strategy, investment

solutions, administration, and risk management. Other senior officials, including the Chief Financial Officer, Chief Risk Officer, General Counsel, and Chief Economist, play crucial roles in ensuring that AIIB's operations align with its strategic goals (AIIB, 2025g).

The ensuing question is then clear. How are decisions made? Who has the bigger voice?

In short, AIIB's decision-making power is structured around a 'weighted voting system', where influence is distributed among members based on basic votes, share votes, and Founding Member votes. While all members receive an equal number of basic votes (2,430 each, accounting for 12% of total votes), the majority of voting power comes from share votes (85%), which are allocated based on a country's economic size and capital contributions. Additionally, Founding Member votes (3%) provide an extra 600 votes per country to those that joined AIIB at its inception (AIIB, 2024d). I see 'founding member votes' as China's 'rewards' to the early applications.

Notably, this distribution means that while AIIB operates as a multilateral institution, decision-making power remains concentrated among its largest shareholders, with China holding the largest share (in 2024, around 26%). By the end of 2024, the second, third, and fourth biggest shareholders are Russia, India, and Germany (AIIB, 2024a).

AIIB's institutional design exhibits distinctive features in its power flow, setting it apart from conventional MDBs. First, unlike many MDBs, AIIB does not distinguish between borrowing and non-borrowing members. While its financing remains more attractive to countries with limited or no market access, AIIB does not enforce a graduation policy—meaning it can lend to both upper-middle-income countries (UMICs) and high-income countries (HICs). This approach prevents a rigid division among shareholders and allows for a more flexible engagement with its diverse membership (Gu, 2017).

Second, AIIB operates with a non-resident, non-executive Board of Directors, which differs from institutions like the World Bank and ADB. Instead of maintaining a full-time resident board, AIIB's directors meet quarterly for several days, supplemented by video meetings on an as-needed basis. This structure is designed to enhance operational efficiency while minimising bureaucratic overhead, reinforcing AIIB's emphasis on streamlined decision-making and pragmatism. This feature, however, is criticised in my interview with some former staff of the

bank. T, for example, said the following:

A non-resident BoD is definitely a double-edged sword to me. On the one hand, it means the power can be delegated to the senior management more directly and effectively. On the other hand, unlike the World Bank, AIIB's management team definitely has more to say in the bank's government. What does this mean? This means that you are counting more on the senior officials.¹⁷

I reviewed AIIB's Board of Directors and found that the current directors predominantly come from a mix of regional and non-regional member countries. The board includes representatives from Saudi Arabia, Pakistan, Thailand, Russia, China, Egypt, New Zealand, the United Kingdom, India, Indonesia, and South Korea (AIIB, 2025f). When combined with my analysis in Section 4.2, this composition suggests a pattern in China's strategic approach to AIIB's governance. It reflects a tendency to reward early supporters of the bank—particularly those that aligned with AIIB's vision from its inception. Additionally, the inclusion of directors from Western countries that defied U.S. opposition to join AIIB—such as the UK, France, and Germany—indicates an effort to accommodate and integrate these seeming 'faithful' Western countries into the institution's actual decision-making structure.

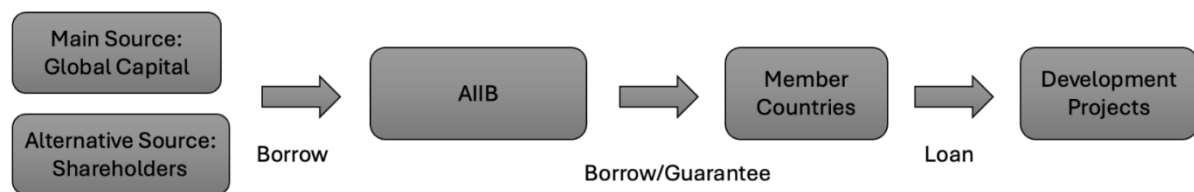
For the question of who has a bigger voice and why, my fieldwork interviews and observation reveal insights. China's ability to shape AIIB's governance structure stems primarily from 1) its status as the bank's largest shareholder and 2) its control over key leadership positions. First, as the largest contributor to AIIB's capital base, China holds significant voting power, which grants it considerable influence over institutional decision-making, including board composition and strategic direction. While AIIB operates within a legal and multilateral framework, the governance structure reflects a balance between formal regulations and geopolitical considerations. Second, the appointment of directors from Western countries that defied U.S. opposition to join AIIB suggests an effort to integrate these members into decision-making processes while maintaining China's overarching influence via the Chinese president. This dynamic underscores how AIIB's governance is shaped by both financial power and strategic diplomacy of China. The answer is straightforward: China has been and will be a dominant yet flexible actor within the bank.

¹⁷ Interview with T.

4.3.2 The Money Flow

Like the flow of power, the flow of money within AIIB can be understood in a structured way. This flow explains where the bank's capital comes from, how it is allocated, and where it ultimately goes (Figure 3). While AIIB promotes itself as a 'lean, efficient, and market-driven' institution, its financial operations reveal a more complex interplay between global capital markets, member contributions, and geopolitical considerations.

Figure 4.3 AIIB's Money Flow



Sources: Made by the author, built on MDB literature.

At the input stage, AIIB's primary financial resources come from two main sources: global capital markets and shareholder contributions. While shareholder funding provides AIIB with an initial base of paid-in capital (20% of subscribed shares), the majority of its financing is raised through borrowing from global capital markets (AIIB, 2024d). AIIB leverages its 'AAA' credit rating to issue bonds, allowing it to secure low-cost financing from institutional investors. This market-driven approach distinguishes AIIB from more traditional MDBs, such as the World Bank, which rely more heavily on direct shareholder contributions.

At the allocation stage, AIIB acts as a financial intermediary, distributing capital to member countries through loans and equity investments. Member countries can either 'borrow directly from AIIB or act as guarantors for private-sector projects within their jurisdiction' (AIIB, 2024d). Unlike many traditional MDBs, AIIB does not operate with a graduation policy, meaning that both developing and high-income countries can access its financing. This flexibility enhances AIIB's appeal but also raises concerns about whether its resources primarily benefit emerging economies or wealthier members.

At the output stage, AIIB's funds flow into development projects across sectors such as transport, infrastructure, and 'green' development (as Chapter 5 will show). AIIB provides

loans for both public and private sector initiatives, often co-financing projects with institutions like the World Bank and the ADB (AIIB, 2024a). However, AIIB's lending patterns suggest an alignment with China's broader economic and geopolitical priorities, with a significant portion of its funding directed toward BRI projects.

In sum, AIIB's financial flow mirrors its governance structure: while it operates as a multilateral institution, its capital distribution reflects a combination of market-driven efficiency and geopolitical considerations.

4.3.3 Everyday Management

In its everyday work, the bank is led by a Senior Management team responsible for executing the institution's strategic vision and overseeing its daily operations. I present some of the key members of the bank's management team so that the readers can have a sense.

As of February 2025, the Senior Management team comprises individuals with diverse backgrounds and expertise (AIIB, 2025g). Some of these people are the key informants of my research, as presented in Chapter 5, 6, and 7. That being said, I shall try my best to not identify them here.

President and Chair of the Board of Directors: Jin Liqun (Chinese) has been serving as the inaugural President since 2016 and was re-elected for a second term in 2020. Before his tenure at AIIB, Jin held prominent positions, including Vice Minister of Finance in China and Vice President of the Asian Development Bank.

Acting Vice President, Investment Solutions, and Director General, Sectors, Themes, and Finance Solutions Department: Hun Kim (Korean) oversees the bank's investment strategies and sectoral operations. His role involves guiding AIIB's investment portfolio to align with its strategic objectives.

Vice President and Corporate Secretary: Ludger Schuknecht (German) is responsible for AIIB's relations with its members, the Board of Governors, and the Board of Directors. His duties encompass governance aspects, including the admission of new members and ensuring the integrity of the bank's governance framework. He is at the same time a professor at Peking

University.

Chief Risk Officer: Antoine Castel (French) leads the Risk Management Department, ensuring that AIIB's operations adhere to its risk management framework and that potential risks are identified and mitigated effectively.

Chief Financial Officer: Andrew Cross (British) manages the bank's financial planning, budgeting, and financial reporting, ensuring the institution's financial sustainability and integrity.

General Counsel: Alberto Ninio (Unknown) provides legal guidance to AIIB, overseeing the Legal Department and ensuring that all operations comply with applicable laws and regulations.

Chief Economist: Erik Bergl f (German) leads the economic research and analysis functions, providing insights that inform AIIB's strategic decisions and policy formulations. He was a professor at LSE.

In general, this leadership structure reflects AIIB's commitment to combining financial expertise with strategic governance. More importantly, there has been a balance between Chinese management officials and the non-Chinese officials.

4.3.4 The Tricks

At the beginning of this Section, I outlined two fundamental principles underlying AIIB's institutional design: first, that the bank serves the interests of its shareholders and clients in a multilateral structure, and second, that it also accommodates China's strategic priorities. At this point, a natural question arises: how can both principles be met simultaneously?

Through my analysis of AIIB's institutional documents and my fieldwork in Beijing, we might gradually come to see how the bank managed to strike this balance. AIIB, on the surface, adheres to the conventional model of a multilateral, democratic decision-making mechanism, ensuring broad participation from its diverse shareholders. This is most evident at the governance level, where the bank's flow of power appears to be designed for both its shareholders and clients, Northern or Southern.

However, a more nuanced picture emerges at the management level. While AIIB promotes its multilateral governance, its actual operations—particularly in project selection and capital allocation—often align with China’s broader interests. The current literature has shown that many of the flagship projects funded by AIIB closely follow China’s development priorities, including those linked to the BRI (BRI Portal, 2024; Freeman, 2019; Qian et al., 2023; Stephen & Skidmore, 2019). Similarly, in my later Chapters, the flow of money within AIIB suggests that, while funds are distributed to various borrowing countries, they frequently support infrastructure projects that benefit Chinese companies, financing models, and geopolitical objectives (as Chapter 6 will show).

In essence, AIIB’s institutional design becomes a delicate balancing programme—a multilateral governance system that reassures global shareholders and clients, coupled with financial mechanisms that subtly align with China’s economic and diplomatic ambitions. This dual structure allows AIIB to maintain credibility as a ‘green, lean, clean’ institution while still operating in ways that reinforce China’s strategic influence in global finance and infrastructure development (AIIB, 2024b).

Here, we might even take a bolder step and argue that AIIB’s institutional design is, at its core, a contradiction. How can a bank function as a multilateral financial institution while simultaneously advancing the strategic interests of a single country? How can an organisation dedicated to do ‘development’ end up structurally favouring one dominant stakeholder?

Notably, this Chapter has attempted to address these questions from an institutional perspective, illustrating how AIIB’s governance, financial structures, and management dynamics are carefully calibrated to accommodate both its global shareholders and China’s specific interests. This Chapter also answers the question by reviewing a ‘history of AIIB’s creation’. However, a more in-depth analysis is needed to fully unpack the mechanisms through which this apparent contradiction manifests in practice. Specifically, Chapters 5, 6, and 7 will move beyond institutional analysis to examine how these dynamics play out on the ground. Through case studies, interviews, and fieldwork, I will demonstrate how AIIB’s structural contradictions are negotiated, contested, and reinforced in the daily operations of projects, partnerships, and policy implementation. While this Chapter has focused on the formal architecture of the bank, the following Chapters will take a micro-level approach, revealing how these contradictions

materialise in specific investments, stakeholder interactions, and project governance.

4.4 Conclusion

The existing literature on AIIB has primarily examined its role as a multilateral institution and a ‘developmental’ institution. Some scholars interpret AIIB as China’s version of multilateralism (Avellán et al., 2024; Callaghan & Hubbard, 2016; Gu, 2017), while others see it as a pragmatic response to the infrastructure financing gap in Asia and beyond (Daksueva & Yilmaz, 2018; Güngen, 2023; Ray & Kamal, 2019; Wang, 2018). While these perspectives offer valuable insights, they fail to capture the full complexity of the institution. They fail, because they approach AIIB with a simplistic institution-centric view rather than placing it within the broader context of China’s international development strategy, particularly the BRI. To fully understand AIIB’s nature, I shall argue, one must trace its origins beyond its official establishment in 2016 and look back as early as 2009, when the very idea of AIIB emerged.

In this Chapter, I have challenged the dominant narratives in the literature by revealing AIIB’s nature. Far from being a purely independent and multilateral institution, AIIB was primarily designed to serve China’s strategic interests. Specifically, the bank was built to manage China’s surplus capital, institutionalise the BRI, and provide an alternative—or supplementary—to the Western-led multilateral development finance system. At the same time, AIIB has also functioned as a mechanism to accommodate the competing interests of its European shareholders and Southern clients. The process of balancing these competing demands has been neither smooth nor straightforward, reflecting the contradictions embedded in AIIB’s institutional design and operations.

AIIB, then, is not fundamentally different from other MDBs. While it enjoys a certain degree of autonomy at the management level, its governance and lending structures are shaped by the interests of its most influential shareholders (Humphrey, 2017). Just as the World Bank reflects the influence of the United States, the ADB aligns with Japan’s priorities, and the EBRD serves European interests, AIIB remains closely tied to China’s strategic vision (Clark, 2021; Clark & Dolan, 2021; Humphrey, 2016). At the same time, also like all MDBs, AIIB has been built to reconcile the interests of both its dominant shareholders and its borrowing clients—in the name of ‘development’.

However, what sets AIIB apart from its peers is its distinct ‘Chinese characteristics’. The ‘Chinese characteristics’, as I argue in this Chapter, have shaped its institutional logic in ways that differ from traditional MDBs. These characteristics include: 1) its substantial financial capacity, 2) its streamlined and pragmatic decision-making process, and 3) its alignment with Asia’s broader infrastructure needs. I argue that the banks’ ‘Chinese characteristics’ is exactly what attracts its many picky shareholders and clients. It is also exactly why the US and Japan have so far refused to join the bank.

The analysis in this Chapter, then, lays the foundation for the discussions in Chapters 5, 6, and 7, which will engage directly with the first, second, and third research questions. By this point, readers would already have a sense of how I will answer the first research question—how AIIB is doing ‘green’—and the third research question—what it is doing ‘green’ for. To understand the bank’s way of doing things and the bank’s goal behind its behaviour, one would need to go past the superficial data and documents and look into both macro-level picture—the dominant powers behind the seeming instrumental bank— and the micro-level picture—people, projects, institutions underneath the overarching bank.

Chapter 5 Shopping for Green, Shopping for Power

In Chapter 4, I present the foundational aspects of AIIB: what it is, who manages it, who finances it, and what intended objectives it wants to achieve. Drawing on the MDB literature and my fieldwork in Beijing, I also provide an accessible overview of AIIB's capabilities and limitations. This groundwork establishes a crucial theoretical basis for the core argument Chapter 5 will present.

In simple terms, AIIB is a new MDB established by China. Like other MDBs, it gets funding from global capital markets and its wealthier member countries, and then lends money to its less developed member countries to support development projects (Humphrey, 2016; Nelson, 2001; Woods, 2006). Similarly, AIIB's operational decisions are largely made by an international management team composed of professional development bankers. However, as the overview and Chapter 4 show, unlike other MDBs, AIIB's strategic decisions are made by its Chinese president and a board of directors representing its principal stakeholders, including China, India, Indonesia, and Russia.

In this Chapter, I will critically explain AIIB's rapid rise.¹⁸ The Chapter has three aims: first, to identify AIIB's strategic shift toward climate finance and its transformation into a global MDB; second, to explain how the bank approaches 'green development' and translates this notion into actual policy; and third, to explain the factors behind AIIB's strategic shift. These will directly address the first research question—how AIIB approaches the notion of 'green' and transforms it into actual policy.

I argue that the notion of 'green development' has enabled AIIB to engage with mainstream MDBs and promote its expansion. By embedding 'green' as a core value and redefining itself as a 'climate' institution in 2019, AIIB has effectively aligned itself with the mainstream development discourse and engaged with a group of mainstream MDBs. Through this alignment with mainstream development discourse, the bank has also transformed from an infrastructure-focused regional bank into a major global development player. This argument then speaks to the third research question—to what extent and in what ways 'green' can

* Part of this Chapter has been published in *Climate Policy*. See Zeng, W. (2024). Climate Finance and New Multilateral Development Banks: Approaching Co-productive Dynamics?. *Climate Policy*, 25(8), 1117-1130.

facilitate the expansion of AIIB.

Section 5.1 presents the phenomenon this Chapter focuses on—AIIB’s pivoting towards climate finance and its growth into a global development institution. Both changes, supported by my fieldwork, are interconnected.

In Section 5.2, I guide the readers to go ‘inside’ the bank. Building heavily on primary data, I will explain a) AIIB’s evolving green agenda, b) how AIIB approaches the notion of ‘green development’, c) how AIIB’s officials work together to translate the highly abstract ‘green’ notion into the highly practical ‘green’ policy. While building on data, this Section aims to characterise the findings in a structural and organised way.

In Section 5.3, we zoom out again, to ask why AIIB has decided to make the strategic shift.

Section 5.4 concludes this Chapter. I characterise my main argument made in this Chapter and speak back to the literature. At the same time, while the findings and arguments are based on the case of AIIB, references to other MDBs, especially in the context of climate change and green energy transition, will be made.

5.1 AIIB’s Strategic Shift (2016–2024)

AIIB was established in 2016 as a regional development bank with a focus on infrastructure. However, today, it has transformed into a major global development institution with a strong emphasis on climate finance (AIIB, 2024f). To understand the nature of this transition, we must first define what this shift is. In this Section, I draw on both fieldwork and bank data to characterise AIIB’s strategic shift between 2016 and 2024.

First, I explain why I approach AIIB’s narrative both ‘along the grain’—by examining its priorities as presented in the official discourse—and ‘against the grain’—by uncovering what it omits, obscures, or downplays (Stoler, 2002). Then, I detail how AIIB has shifted from a regional infrastructure-focused institution to a global development bank with a significant climate orientation.

5.1.1 Why does AIIB Shift, at all?

The literature Chapter of this thesis (Chapter 2) engages with the growing body of political and economic research on AIIB. More importantly, it situates this research within what I refer to as the ‘classic MDB literature’, namely by Wood (2006), Griffith-Jones (2008), and Wade (2002, 2009, 2022). However, my approach to studying AIIB is more heavily influenced by a recent wave of MDB studies, particularly the works of Humphrey (2016, 2017, 2019, 2022), Clark (Clark, 2021; Clark & Dolan, 2021), and Michaelowa (Michaelowa et al., 2021; Michaelowa et al., 2020). It would be necessary to unpack them here, even just briefly.

Simply put, while classic MDB literature demonstrates that MDBs are built as institutions with clear mandates and strict rules, emerging studies reveal that MDBs are also highly subject to changes. First, research has shown that the structure and lending practices of MDBs are primarily influenced by the changing needs of their founders (Clark & Dolan, 2021; Kilby, 2006). Second, recent studies also highlight the role of demand factors, suggesting that MDBs respond to shifts in the economic power of borrowing countries and changes in the balance of power among shareholders (Güngen, 2023; Humphrey & Michaelowa, 2013). Ray and Kamal (Ray & Kamal, 2019), for instance, show that Southern-led MDBs like the Development Bank of Latin America (CAF) and the Islamic Development Bank (IsDB) tend to offer more borrower representation on their boards than Northern-led MDBs.

Beyond founders and borrowers, MDBs are also reshaped by their lenders—the global financial market. As discussed in Chapter 2, MDBs operate in a self-financing model, borrowing primarily from private markets and lending these funds to developing countries for development projects (Humphrey, 2017; Kellerman, 2019; Marois, 2021). This requires them to remain responsive to market expectations and appear reliable to investors. Humphrey thus identifies two categories of ‘principals’ driving MDB evolution: (1) the political and financial owners of the bank, and (2) the liquidity suppliers essential for its operations (Humphrey, 2016).

Inspired by the recent MDB research, the thesis’s theoretical foundation is that MDBs are highly responsive institutions instead of the traditionally believed static tools for ‘power duelling’ or fixed channels for ‘resource pooling’ (Clark, 2021). Simply put, MDBs, traditional or new, change all the time. Furthermore, by aligning more closely with the popular trend, MDBs are better positioned to secure resources, support their growth, and expand their influence (Güngen, 2023; Humphrey, 2022).

However, MDBs' mandate often constrains the pace and extent of their transformation. This means that change within MDBs often occurs gradually and subtly. For Park:

Change is slow in international bureaucracies such as the IMF and the World Bank because they have organizational cultures or identities through which new norms must penetrate. Change is [...] costly since habits and traditions must be adapted or reinvented [...] Different levels of resistance can be expected according to the organizations' mandate and professional background of staff in relation to different policy fields (Park & Vetterlein, 2010, p.233).

Practically, what an MDB tends to do, is emphasise a new theme ('climate', for example) alongside the traditional one ('infrastructure, for example'), framing it as a natural extension of its original mandate ('development', for example). Such incremental adjustments allow MDBs to adapt to new demands and expectations in the global financial market without fundamentally altering their core mandates, thus maintaining institutional continuity while evolving in response to global trends (Gutner, 2002).

I thus assert that it is necessary to read AIIB both 'along the grain'—to identify how its values have shifted—and 'against the grain'—to examine how it has navigated this shift by selectively downplaying and reframing certain elements. This approach enables this Chapter to speak to the MDB literature not only theoretically but also empirically.

5.1.2 From 'Infrastructure' to 'Green', From 'Asian' to 'Global'

At the end of Wade's excellent critical work on the World Bank's Polonoroeste Highway Project in Amazon, he says:

The Bank's (and other multilateral development banks') pull back from infrastructure left a hole which, much later, China started to fill by leading the creation of the Asian Infrastructure Investment Bank (Wade, 2016b, p.663).

Wade is right on this point. In 2016, AIIB was created with infrastructure finance in its core operational characteristics. In its Articles of Agreement, one of the purposes of the bank is described as 'foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia' (AIIB, 2024d). Throughout its 'start-up' stage (2016–2019),

AIIB maintained fast growth partly due to its adoption of an infrastructure-lending mandate. However, one will be surprised to see how AIIB has transitioned into a climate-oriented MDB if reading AIIB’s website, documents, and data again in 2024 (Table 1).

Table 5.1 Key Characteristics: ‘Start-up’ vs ‘Take-off’

	‘Start-up’ (2016–2019)	‘Take-off’ (2020–2024)
Core value	‘Connectivity’	‘Green’
Core strategy	Reputation-building and capacity-building	Profit-making and rule-making
Main sector	Transport, Energy, Water	Energy, Multi-sector, Transport
Relation with traditional MDBs	Learning from MDBs, by co-financing	Cooperating with MDBs, in various platforms
Geostrategic reach	Regionally, mostly within Asia	Globally, including Africa, South America, and Europe

Sources: AIIB Corporate Strategy, AIIB Annual Reports from 2016 to 2022, AIIB project list from 2016 to 2024, and AIIB leadership’s statements and speeches.

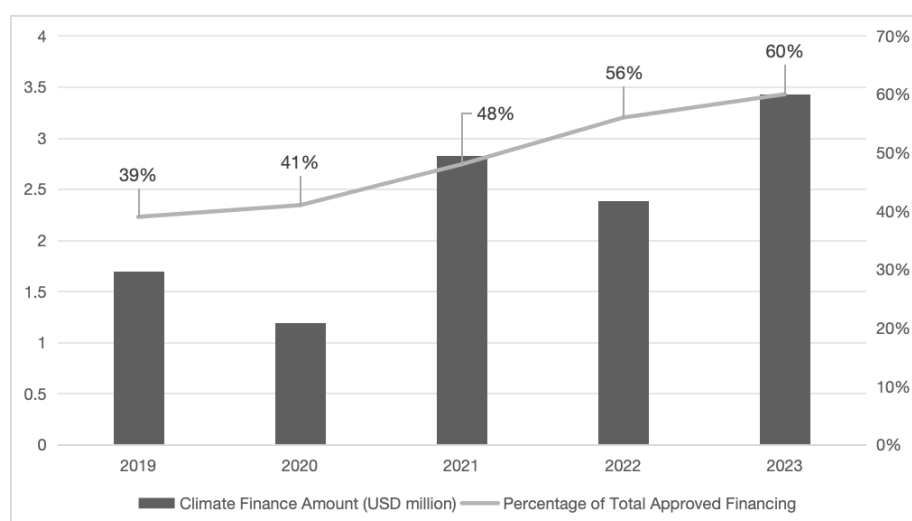
The most fundamental change happened after 2019 when the bank brought forward its first Corporate Strategy, a document setting out AIIB’s vision, mission, and strategy for the following ten years (till 2030). While ‘strongly reaffirming that AIIB will continue embracing the foundations that have contributed to the bank’s success during its start-up phase’, the bank puts climate finance into the core of its value and strategy (AIIB, 2024b). Q, a senior official, explained: ‘There are so many ways you can do it [climate]...Now we say that climate is our top priority, but you couldn’t say that in 2018, because you didn’t have a [overall] corporate strategy!’.¹⁹ As for AIIB’s overall strategy, E, one of AIIB’s leaders, says:

Since I joined, there has been a clear ‘internalisation of the Paris Agreement’, in terms of the alignment [with the Agreement], in terms of [asking] what the implications of the Paris Agreement are...I think that is a real shift. It is not something that happens overnight but a gradual ‘internalisation’. And frankly also [the thinking pattern shift], in terms of ‘what is sustainable growth?’ and ‘what does it mean?’... I would say it is even more transformative, as it integrates the climate in a wider perspective.²⁰

¹⁹ Interview, Q, a senior official, Online, 22 November 2023.

²⁰ Interview, E, one of AIIB’s leaders, Beijing, 15 November 2023.

Figure 5.1 Climate Trajectory of AIIB (2019–2023)



Sources: (AIIB, 2023d, 2023a, 2023c, 2024c). Figure made by the author.

Table 4.2 AIIB’s Climate Finance Amount and Percentage (2019–2023)

	2019	2020	2021	2022	2023
Climate Finance Amount (USD million)	1.70	1.19	2.83	2.39	3.43
Percentage of Total Approved Financing	39%	41%	48%	56%	60%

Sources: AIIB Annual Reports (2019–2023), MDB Joint Reports on Climate Finance (2019–2023), AIIB Climate Action Plan (2023), AIIB Sustainable Development Bonds Impact Report (2023). The data is searched, collected, calculated, and cross-checked by the author.

First, AIIB’s climate portfolio has since contributed to the landscape of evolving global climate finance. Most notably, AIIB’s pivot toward climate finance is evident in its lending practices (Figure 4.1 and Table 4.2). Around 2019, the bank committed to its Corporate Strategy goal of directing 50% of its total approved financing toward climate-related projects by 2025. Since then, the bank has progressively increased its share of climate finance to meet its 2025 target, rising from 39 per cent in 2019 to 60 per cent in 2023. The number of projects contributing to climate finance has also grown, with 107 climate-focused projects across various sectors by the middle of 2023, representing half of AIIB’s total project portfolio (AIIB, 2023d).

In addition, AIIB has expanded its suite of climate-related financial products. In June 2024, the bank introduced Climate-Focused Policy-Based Financing (CPBF) as part of its Sovereign-Based Financing instruments. This initiative aims to support AIIB members in achieving their national climate transition objectives by backing policy and institutional reforms that scale up

climate finance and accelerate transitions.

Thirdly, the bank's strategic shift also contributes to the global climate finance by shifting the focus of climate finance lending to the Global South. In 2016, AIIB was created with a total of 57 member countries, most of which were regional (Asian) members. At this stage, AIIB's initial focus on Asia was intentional, allowing it to concentrate on high-impact regional projects that promoted connectivity and growth within its immediate geographical sphere. By 2023, however, the bank had expanded its membership to 109 countries, including 57 non-regional members. This growth into regions such as Africa, South America, and Europe highlights AIIB's ambition to become a global player (AIIB, 2024a). Beyond the numbers, this expanded global presence helps counter the narrative that AIIB serves solely as an instrument of Chinese foreign policy, instead positioning it as a professional institution with a mission to support sustainable development on a global scale (Hameiri & Jones, 2018; Liang, 2021).

The 'Asian-Global' shift has made the bank more confident. In early 2023, AIIB became a partner of COP28. Jin Liqun, the President of AIIB, spoke at the Eighth Annual Meeting of the Board of Governors in 2023:

I am proud to say that today, eight years into operation, AIIB has been recognized as an integral component of the global financial architecture. AIIB remains in the gene pool of MDBs, with the special features of a multilateral development bank fit for the 21st century (Jin, 2023).

5.2 Inside the bank

AIIB's strategic shift between 2016 and 2024, particularly from 2019 to 2024, has established it as one of the world's most influential development finance institutions. However, this transformation has been far from easy. Building an MDB is an inherently complex process that demands time, resources, and careful alignment with international norms (Gutner, 2002; Kellerman, 2019). Transforming an MDB, especially one as controversial as AIIB, requires even more nuanced 'bank-craft' (Güngen, 2023; Ray & Kamal, 2019). It is not surprising that drawing AIIB's green agenda has proven to be a complicated endeavour.

In this Section, I invite readers to go 'inside' AIIB with me. Building primarily on my fieldwork data, I first explain what AIIB's green agenda looks like. I then reveal how the bank approaches

the notion of ‘green’ in its everyday operation. In the end, I explain how AIIB turns the ideas of ‘green’, which are highly abstract, into the practices of ‘green’, which are highly concrete.

Directly, these will answer the first research question—how AIIB approaches the notion of ‘green’ and transforms it into actual policy.

In this Section, I will argue that, although AIIB has introduced numerous green strategies, targets, and policies since 2019, the essential conceptual foundation underpinning these policies remains weak. Yet, even holding a somewhat ambiguous understanding of ‘green,’ the bank has managed to expand by leveraging prevailing green discourse and practices. Analytically, the vagueness of AIIB’s green agenda enables projects to be incorporated into the bank’s green portfolio on the basis of ‘bankability’ and strategic importance, even when their environmental benefits are partial or indirect. Borrowing a phrase from Wade’s description of the World Bank, the bank ‘set sail on a raft of assumptions as brittle as they were heroic, or expedient’ (Wade, 2016a, p. 230).

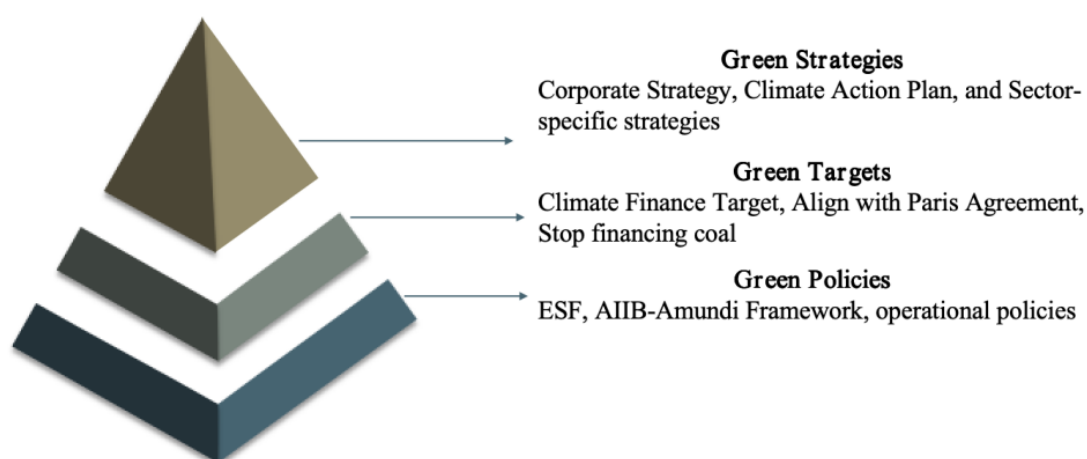
5.2.1 Along the Grain: What does AIIB’s Green Agenda Look like?

To clarify from the outset, AIIB has never officially referred to a ‘green agenda’ in its statements or documents. I use this term to capture the overarching nature embodied in the bank’s policies, targets, and strategies that aim at ‘promoting environmental sustainability and addressing climate change’ (AIIB, 2024b). This use of the term is also informed by insights from my interviews with AIIB’s climate team.

For example, Q, the bank’s high-level official, one of the main officials who drafted AIIB’s Corporate Strategy, guided me to think in a more structural way when investigating AIIB’s green agenda.

There are simply too many documents and data. It will be great to go through all of them, but you might want to summarise them in the end? Try to think in this way. First, you have strategies, that set out which ways to go for the bank. Then, there are targets. After that, there are policies, which are created under the guidance of those strategies and targets.

Figure 5.2 A Conceptual Note: AIIB's Green Agenda



Sources: Interview with AIIB high-level official Q and AIIB key documents. Figure made by the author.

While green strategies, green targets, and green policies perform different institutional functions within AIIB's evolving green agenda, it is conceptually important to distinguish between them. First, green strategies establish AIIB's preferred development trajectory and define what counts as legitimate green (or in many cases, 'climate') action. Second, green targets convert this trajectory into numerical commitments. The commitments allow AIIB to compare itself with mainstream MDBs in a more transparent way. Third, green policies are operational. They translate strategic intent, which is abstract, and numerical targets, which are idealistic, into binding rules, procedures, and standards that organise decision-making within the project cycle. Importantly, within the bank, policies determine how environmental and climate risks are identified, assessed, and managed, and which concerns are rendered actionable or marginal. For this reason, green policy is the primary site where the bank's green agenda is institutionalized, as Section 5.2.3 will show.

Table 5.3 Green Strategies, Targets, and Policies

Category	Definition	Meaning
Strategies	A broad roadmap that shapes AIIB's role and relevance within the MDB community.	What does AIIB prioritise?
Targets	Clear, accessible, and straightforward MDB goals	How much? By when? How ambitious (compared to other MDBs)?
Policy	Detailed references and professional guidelines in daily operation	What should be done in practice?

The first level component in AIIB's green agenda is a set of strategies developed by the bank. Unlike specific policies or targets, these strategies provide a broad roadmap that shapes AIIB's role and relevance within the MDB community. While AIIB's Articles of Agreement serve as the bank's foundational 'constitution', its strategies act as a form of 'soft law' that bridges the bank's core mandates with its adaptive responses to the evolving financial market (Nelson, 2001; Shao et al., 2021). AIIB's green strategy primarily consists of its Corporate Strategy and Climate Action Plan. Additionally, other sector-specific strategies contribute to the overall green framework, including the Energy Sector Strategy, Transport Sector Strategy, Water Sector Strategy, Digital Infrastructure Sector Strategy, and Sustainable Cities Strategy. Together, these strategies form an integrated approach to guide AIIB's environmental and climate-focused efforts.

- Corporate Strategy
- Climate Action Plan
- Other Sector-specific strategies, such as Energy Sector Strategy

The second level component of AIIB's green agenda is several specific targets set by the bank. Different from the relatively vague strategies, these targets are clear, easily accessible, and straightforward to understand. Specifically, there are three well-known green targets, each of which provides a measurable focus that demonstrates AIIB's commitment to environmental sustainability and allows both the bank and external stakeholders to track its progress toward these goals (AIIB, 2024f; Humphrey & Michaelowa, 2013).

- By 2025, AIIB will aim at reaching or surpassing a 50 per cent share of climate finance in its actual financing approvals.
- By 2023, AIIB will align its operations with the goals of the Paris Agreement.
- After 2020, AIIB will not finance any coal-fired power plants or projects functionally related to coal, such as the roads leading to a plant or transmission lines serving coal power.

The third component of AIIB's green agenda consists of its various green policies. These policies are specific, transparent, and directly guide officials in their day-to-day operations by providing detailed references and professional guidelines. Among AIIB's green policies, the

most significant is its Environmental and Social Framework (ESF). In simple terms, within MDBs like the World Bank, the ESF is a set of guidelines and standards that govern how a bank addresses environmental and social issues in its projects. It functions as a type of ‘safeguard’ for MDBs’ projects on the ground to ‘do no harm’, first introduced by the World Bank and subsequently adopted by almost every MDB (Gallagher & Yuan, 2017; Shao et al., 2021). AIIB released its initial ESF in 2019 and has amended it several times, most recently in June 2024. Another key policy is AIIB-Amundi Climate Change Investment Framework. This tool was developed jointly by AIIB and Amundi, one of the world’s major asset managers, to help investors assess how well companies align with the Paris Agreement’s climate goals (AIIB, 2023d). Additionally, AIIB’s various operational policies, such as the Operational Policy on Financing, set out specific guidelines that support the bank’s evolving green agenda by detailing concrete practices and standards for implementation.

- Environmental and Social Framework (ESF)
- AIIB-Amundi Climate Change Investment Framework
- Operational policies, such as the Operational Policy on Financing

Reading ‘along the grain’, AIIB’s green agenda appears strong and ambitious, clearly showing the bank’s commitment to tackling environmental issues and climate challenges (Stoler, 2002). This is true. In fact, even compared with established MDBs like the World Bank and the EBRD, AIIB’s approach to ‘green’ seems both systematic and transparent, underscoring its professional and proactive stance. Based on such an interpretation, one might not need to examine every detail to discover the bank’s intentions: first, it hopes to demonstrate the bank’s genuine commitment to green development; second, it struggles to appear willing to invest the necessary resources, even at some cost; and third, it hopes to show that its green strategies, targets, and policies align well with the international norms, if there is such a thing, on green development (Park & Vetterlein, 2010).

However, while these claims hold a degree of truth, a more critical ‘against-the-grain’ question reveals complexities underneath the official discourse and, to a good extent, helps us to problematise the bank’s green agenda.

5.2.2 Against the Grain: Problems of ‘Green’

Like other MDBs, AIIB’s green agenda is fundamentally shaped by its interpretation of the notion of ‘green’. The bank begins by approaching and interpreting this broad, abstract idea and then translates it into concrete strategies, targets, and policies (Escobar, 1995; Humphrey, 2022). Specifically, AIIB’s interpretation of ‘green’ directly influences how it prioritises sectors, establishes specific targets, and designs detailed policies. This process transforms an overarching concept into actionable, sector-focused initiatives that align with the bank’s vision and objectives in green development.

The notion of ‘green’, with origins in Germanic languages, initially referred to the colour of grass, foliage, and emeralds, embodying qualities like freshness, health, and vitality (OED, 2024). Beyond describing colour, ‘green’ conveyed ideas of growth and immaturity, symbolising potential and a natural state of development. Over time, ‘green’ has evolved to encompass more than 14 meanings in everyday life, now also representing environmentalism and eco-friendly practices aimed at minimising harm to nature. This expanded definition has become central to development practices, where ‘green’ underpins sustainable policies and practices, bridging its historical connotations with modern imperatives for ecological resilience and responsible growth (Bailey & Caprotti, 2014; Johnson, 2019). The notion, however, appears problematic in AIIB’s discourse.

First, the conceptual foundation of AIIB’s green agenda remains weak. Documents indicate that while AIIB recognises the importance of the notion of ‘green’ and has attempted to highlight it in its core guiding documents, this understanding lacks depth. Most prominently, AIIB’s corporate strategy states:

AIIB embraces the concept of being a Green institution and is committed to enhancing its sustainable operations both in terms of project investments as well as corporate practices. ... AIIB’s Green objectives involve a special focus on climate mitigation and adaptation at the member and regional level through its projects. AIIB embraces Green in its corporate practices and takes concrete action to manage its own carbon footprint (AIIB, 2024b).

Yet, across all of AIIB’s documents and announcements, there is, so far, no single definition of ‘green’. The closest we can get to the bank’s understanding of ‘green’ is likely through its definition of ‘green infrastructure.’ As stated by the bank, it will prioritise ‘green infrastructure’

investments, including projects that ‘deliver local environmental improvements and are dedicated to climate action’. To this end, AIIB will ‘cover a range of investments and sectors including renewable energy and low-carbon public transportation, as well as better water management and sanitation, pollution control, and enhancing ecosystem services’ (AIIB, 2024f). Even with these ambitious claims, however, questions remain: what does ‘green’ truly mean for AIIB? Or, perhaps more fundamentally, what exactly does ‘infrastructure’ entail for the bank? Definitions remain unclear.

Second, AIIB’s green agenda exhibits notable inconsistencies and incoherencies. Since its establishment in 2016, AIIB has introduced a variety of ‘green’-related terms to guide its business growth (see Table 5.4). While each term seems reasonable in isolation, a collective examination reveals underlying issues in AIIB’s discourse. Read ‘against the grain’, this lack of alignment underscores the challenges AIIB faces in crafting a cohesive green narrative while navigating shifting priorities and expectations.

Table 5.4 The Definitions of ‘Green’ Terms in AIIB and Development Agencies

Terms	AIIB’s Definition	‘Mainstream’ Agencies’ Definition
Green Infrastructure	(1) A range of investments and sectors including renewable energy and low-carbon public transportation (2) Better water management and sanitation, pollution control and enhancing ecosystem services	Green infrastructure is a strategically planned network of natural and semi-natural areas with other environmental features designed and managed to deliver a wide range of ecosystem services such as water purification, air quality, space for recreation and climate mitigation and adaptation (European Commission)
Green Finance	Connecting capital to climate by unlocking finance, mobilizing funds into emerging economies, de-risking to build resilience and by helping countries adapt to climate change with investment in new innovative technologies and productive sectors	Green financing is to increase level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities (UNEP)
Climate Finance	(1) Climate mitigation projects (such as renewable energy, energy efficiency and urban public transport) (2) Adaptation finance or those having dual benefits	Climate finance refers to local, national, or transnational financing, which may be drawn from public, private and alternative sources of financing (UNEP)
Sustainable Infrastructure	(1) Environmentally: Addresses ecological impacts like water and air quality, biodiversity, pollution and climate change (2) Financially and economically: Projects with sound return on investment that raise economic growth and increase productivity (3) Socially: Gives inclusive access, particularly to citizens excluded from access to infrastructure services	Sustainable infrastructure systems are those that are planned, designed, constructed, operated and decommissioned in a manner that ensures economic and financial, social, environmental (including climate resilience), and institutional sustainability over the entire infrastructure life cycle (UNEP)

Note 1. The table was made based on the official documents (or websites) of AIIB, UNEP, OECD, and the European Commission.

Third, on a deeper level, there is a tendency within the bank for the notion of ‘green’ to be simplified and misunderstood. During my fieldwork in Beijing, I conducted a mini experiment to assess interviewees’ understanding of the term ‘green’ and related professional concepts. The findings were revealing: for many, ‘green’ remained a broad and ambiguous concept, while terms like ‘climate finance,’ with more precise definitions, were easier for them to comprehend and articulate.

Table 5.5 summarises the results and highlights the ability of different groups within AIIB to explain ‘climate finance’ and ‘green infrastructure’—both are essential terms in AIIB’s discourse. Across all groups, ‘climate finance’ was more widely understood, with nearly all members of leadership, management, and former staff, and a substantial portion of current staff, able to define it. By contrast, ‘green infrastructure’ was less consistently understood, especially among staff, where only 10 out of 28 respondents could explain it. This pattern indicates that ‘climate finance’ is more accessible and consistently interpreted within the bank, whereas ‘green infrastructure’ remains less clearly defined.

Table 5.5 Explaining ‘Climate Finance’ and ‘Green Infrastructure’

Group	Number of Group	‘Climate Finance’ Able to Explain	‘Green Infrastructure’ Able to Explain
Leadership	7	7	5
Management	16	16	11
Staff	27	18	10
Former Staff	6	5	5

Sources: Interviews, see Appendix A.

To be ‘able to explain’ the terms to me, interviewees need to offer a coherent definition or understanding of the term with reference to policies, practices, or theories.

The results can be explained by an operational factor. The 12th edition of the Joint Report on Multilateral Development Banks’ Climate Finance defines MDB climate finance as ‘financial resources (from own accounts and MDB-managed external resources) committed by the MDBs to operations, and components thereof, directed to activities that mitigate climate change and/or support adaptation to climate change’ (MDB, 2023). In practice, AIIB largely uses this definition. T, who worked for one of AIIB, explained this difference to me:

There is a clear industrial definition of climate finance. But for green infrastructure, there is only AIIB's own definition'. ... Oftentimes, the bank's officials 'grab only what is available to them'.²¹

I, a high-level official, was one of the few AIIB office bearers who could explain the conceptual and practical difference between 'green' and 'climate'. For him:

'Green' apparently is a big concept. If I have to define it, it will be something that includes climate, environment, and other factors. As you will see in our Corporate Strategy, climate is an important component, but it is not all. For me, at least, 'green' also encompasses biodiversity, [non-carbon] pollution control, and a sustainable way of production. ... 'Green' is a value, and climate is a target.²²

But even with the statements from T and I, we don't know what 'green' truly means—conceptually or practically—for AIIB, and how often the bank's officials rely on these broad, vague, and sometimes overlapping terms of 'green' when making policy. But we can be sure that AIIB has been translating this problematic understanding of 'green' into its actual strategies, targets, and more importantly, operational policies.

The issue, then, is not simply the absence of a formal definition of 'green', but the way in which this concept functions within MDB governance. In AIIB's case, 'green' operates as a broad umbrella concept that is repeatedly invoked at the strategic level, yet only partially specified at the operational level. This produces a form of vagueness.

First, taking into account how MDBs operate, the vagueness of 'green' becomes a critical issue as it gives MDBs greater operational flexibility. As Subsection 2.1.2 outlines, MDBs operate under multiple constraints, including project 'bankability', project risk, and shareholder expectations (Gallagher & Yuan, 2017; Humphrey, 2017; Humphrey & Michaelowa, 2013; Nelson, 2001). When 'green' is not tightly defined, the bank can approve or reject projects based on these considerations while still remaining consistent with an overarching green agenda. In this sense, AIIB is not different from its peers. The vagueness allows AIIB to balance developmental objectives with operational and financial priorities without formally contradicting its stated commitments.

²¹ Interview, T, former staff, Online, 30 September 2023.

²² Interview, I, high-level official, AIIB HQ, Beijing, 20 October 2023.

In AIIB's daily operations, this flexibility directly shapes how projects are included in or excluded from the bank's green portfolio. The vagueness of 'green' allows the bank to accommodate financially profitable projects within its green agenda, even when their environmental benefits are partial or indirect, as indicated by Zhanatas project technician MY and Zhanatas resident TB, cited in Chapter 7, while rejecting projects that are less financially attractive. In this sense, the boundary of what counts as 'green' is negotiated through internal interpretation rather than determined by a clear definition. This helps explain why 'green infrastructure' remains less clearly understood within the bank than 'climate finance', which relies on more precise and widely shared definitions.

Second, the vagueness of 'green' is particularly important for a new MDB such as AIIB. As Subsection 2.1.1 introduces, as a relatively young institution, AIIB must establish legitimacy while simultaneously expanding its operations and building a project pipeline. A loosely defined notion of 'green' allows the bank to align with dominant climate and development narratives without committing too early to narrow criteria that could restrict its operational space. This enables AIIB to adjust its green agenda as institutional priorities and external expectations evolve.

Combining what I and T revealed, the vagueness of 'green' should therefore be understood as an institutional feature rather than a conceptual weakness. Rather than indicating confusion or lack of clarity, this openness facilitates the translation of broad environment or climate commitments into concrete strategies, targets, and operational policies. It allows AIIB to maintain coherence at the level of discourse while accommodating diversity in practice.

5.2.3 Turning 'Green' into Actual Policy

In this Subsection, I will illustrate how AIIB transforms the highly abstract and vague 'green' into actual policy. This will offer answers to my first research question. I will begin by offering context in which 'green' has been translated into the bank's actual policy. Following this, I present, step by step, how AIIB's green policy is visioned, drafted, reviewed, approved, implemented, and revised. I use the case of AIIB ESF to illustrate the process.²³ Analytically,

²³ Information on how AIIB developed its Environmental and Social Framework (ESF) is drawn primarily from interviews with AIIB analyst O (see the next footnote). This understanding is further informed by interviews with F, the leadership of AIIB. Taken together, these interviews suggest that

this Subsection treats AIIB's green policy making as an outcome of its green agenda rather than a starting point of its operation.

The understanding I developed in the Beijing fieldwork is that like many other MDBs, AIIB's green policy is not produced in isolation. It is the outcome of prior strategic choices and institutional targets (see Table 5.3). Green policy is made within a specific political and organisational context and is designed to serve defined governance objectives. Without clarifying this context, policy content would not make sense. For exactly this reason, green strategies and green targets must be specified first (see step 1 and 2 in Table 5.6). They provide the conditions under which green policy is formulated and give meaning to subsequent processes of drafting, approval, implementation, and revision. O, an analyst, provided insights into the process of setting green targets and strategies during an in-depth interview on the bank's policymaking. Selected excerpts from this interview offer a closer look at how AIIB produces its green agenda.

In our bank, there are four main things we systematically consider when creating green policies.

First, we look at the bank's mandate and goals. This is straightforward, right? These tell us what we can and can't do as an MDB, and what we might want to prioritise, especially as a newer MDB.

Second, we consider the frameworks used by mainstream MDBs. For example, the World Bank's ESF is an important reference for us when developing our own ESF.

Third, we keep an eye on international targets and trends. For instance, we follow COP meetings closely when updating our climate strategies. This helps us stay aligned with the broader MDB community in tackling global challenges.

Fourth, we care about our clients. At the end of the day, we're working directly with them. And by 'clients', I don't just mean the borrowing countries, but also the private financial institutions in the market. ...In a way, we try to see things from their perspective too.²⁴

Taking into account the bank's organisational structure, as Chapter 4 has also identified and simplified (see also Appendix B), it is not too difficult to see how AIIB has translated its

AIIB has largely adopted an approach comparable to that of mainstream MDBs in the creation of its ESF and Environmental and Social Standards.

²⁴ Interview, O, AIIB analyst, 15 October 2023.

understanding of ‘green’ into concrete policies. In short, the making of AIIB’s green policy is a collaborative effort involving the bank’s leadership and key departments, including the SPB (Strategy, Policy, and Budget) Department, the Economics Department, and the many operational teams under specific departments (see Table 5.6).

Table 5.6 The Making of ‘Green Policy’ within AIIB

Step	By Whom	For What	Example: Making ESF in 2019
1: Making Strategy	President and SPB	To define the Bank’s overall development direction and strategic priorities	Framing ‘green infrastructure’ as AIIB’s core institutional priority
2: Setting Target	Senior management team and SPB	To translate strategic direction into measurable institutional commitments	Setting climate finance target
3: Drafting Policy	Climate team, operation team, risk team, and legal team	To convert strategies and targets into operational rules and procedures	Drafting environmental and social standards and procedural requirements under the ESF
4: Internal Review	Management committees and sector specialists	To assess operational feasibility, risk exposure, and legal enforceability	Revising ESF provisions based on implementation capacity and risk concerns
5: Board Approval	Board of Directors	To approve, reject, or offer feedback	Board approval of the ESF as a binding policy framework
6: Implementing Policy	Project team, specialist, and clients	To apply policy requirements in project design, approval, and supervision	ESF applied through project screening, due diligence, and monitoring
7: Feedback and Revision	Third-party team and Board	To evaluate compliance and update policy based on experience	Sending complaints back to Beijing

Note 1. The table was made based on the official documents (or websites) of AIIB and interviews.

The process begins with strategy-making, led by the President and the SPB Department. At this stage, AIIB defines its overall development direction and establishes the institutional ambition of ‘green’ (AIIB, 2024d). By positioning ‘green infrastructure’ as a core institutional priority, strategic documents legitimate the following large-scale investment, as we will see in the later Chapters, while signalling climate responsibility (AIIB, 2024). Taking the making of AIIB’s ESF as example, this framing does not specify how environmental and social concerns should be addressed in practice, but it sets the political scope within which later instruments, including the ESF, must operate.

In practice, AIIB actively seeks to learn from established MDBs through various means, gaining valuable experience in setting up and operating an MDB. One of the key steps AIIB took was hiring a group of seasoned MDB executives (Table 5.7).

Table 5.7 Background of AIIB's Current and Past Leadership

Leaders	Experience	Position at AIIB
Jin Liqun	Vice President of the Asian Development Bank, Vice Minister of Finance of China, Chairman of CIC	President
Erik Berglof	Chief Economist at the European Bank for Reconstruction and Development	Chief Economist
Danny Alexander	Chief Secretary to the Treasury, United Kingdom	VP
Ludger Schuknecht	Deputy Secretary-General of OECD, Chief Economist of the German Federal Ministry of Finance, Honorary Professor at Peking University	VP and Secretary-General
Andrew Cross	Deputy Chief Financial Officer at the International Finance Corporation	VP and CFO
Joachim Von Amsberg	Vice President at the World Bank	VP
Alberto Ninio	Legal Counsel at the World Bank	Legal Counsel
Hamid Sharif	Assistant Legal Counsel at the Asian Development Bank	Assistant Legal Counsel
Martin Kimming	Chief Risk Officer at the World Bank	CRO

In its ‘start-up’ (2016-2019) phase, nearly all of AIIB’s leadership and senior executives had prior experience working at established MDBs (AIIB, 2022a). Jin Liqun, a prominent figure in international finance and the first President of AIIB, has played an indispensable role in setting up AIIB’s overall green agenda. His career began in the Chinese government, where he worked in institutions such as the Ministry of Finance and served as Vice Minister, responsible for fiscal policy and international economic cooperation. Later in 1998, he joined the ADB, where he held various important positions, including China’s representative and Vice President. In 2015, Jin Liqun was appointed as the first President of AIIB. Due to his experience at the World Bank and ADB, Jin Liqun has advocated from the start for the importance of ‘green, clean, lean’ for AIIB, emphasising the role of infrastructure investment in promoting economic growth and addressing climate change. He has frequently argued that while advancing infrastructure development, environmental protection and social responsibility must also be prioritised.

In addition to the President, other senior leaders at AIIB have played key roles in shaping the bank’s green agenda (AIIB, 2022; data also collected from fieldwork). Erik Berglof, AIIB’s Chief Economist and former Chief Economist at the European Bank for Reconstruction and Development (EBRD), brings a strong emphasis on the alignment with the Paris Agreement.

Danny Alexander, previously Chief Secretary to the Treasury in the United Kingdom, has extensive experience in public financial management, which supports AIIB's financial strategies. Ludger Schuknecht, AIIB's Vice President and Secretary-General, formerly held senior positions at the OECD and the German Ministry of Finance. His expertise in international policy and economic analysis has contributed to standards of governance and management within AIIB's operations.

Target-setting then translates strategic orientation into measurable institutional commitments. This stage is led by senior management and SPB and is closely tied to external signalling. Climate finance targets and commitments to Paris alignment, as mentioned in 5.2.1, allow AIIB to demonstrate ambition in comparative terms (AIIB, 2025d). Targets create benchmarks that can be aggregated across projects and communicated to shareholders and external audiences. At the same time, targets remain abstract. They do not prescribe project-level behaviour. Instead, they generate pressure for alignment that must later be absorbed by operational policy instruments such as the ESF.

The actual policy making begins from the third step. Policy drafting is the stage at which strategic intent and numerical targets are translated into operational form. This process involves sustained coordination among climate specialists, investment operations, risk management, and legal teams (AIIB, 2024c, 2024b). AIIB ESF, for example, is produced through this interaction. Climate teams define the scope of environmental and social risks to be addressed. Operations teams translate these risks into procedural steps that fit within the project cycle. Risk and legal teams shape the 'language' to ensure enforceability and protect the bank's market interests.²⁵ Through this process, 'green' is made technical and procedural.

The fourth step is critical in AIIB's green policy making. It transforms the abstract goals into workable terms. Internal review subjects draft policies to scrutiny by management committees and sector specialists. Review focuses on feasibility, risk exposure, and implementation capacity across diverse country and sector contexts. Drafted policies that are judged too demanding, too uncertain, or too costly may be revised or softened. As a result, internal review acts as a political filtering mechanism. Official documents show that in practice, there is an

²⁵ Interview, O, Environmental and Social Analyst, 15 October 2023. The information is also collected through my conversation with O. He briefly mentioned the functions of different teams.

intense back-and-forth communication between AIIB's investment teams and the bank's board—a process referred to as 'reviewing and screening' (AIIB, 2024c, 2024b).

The fifth step is also a critical one as it decides if a policy can survive with AIIB. Again, taking ESF as an example, board approval gives the ESF formal authority and embeds it within AIIB's governance framework. The Board of Directors has the power to approve, delay, or request changes to the policy (AIIB, 2024b). This step transforms the ESF from an internal draft into a binding institutional rule. As showed by the literature (Humphrey and Michaelowa, 2013), board approval is also a site of political judgement. It reflects member-state preferences and concerns about risk, sovereignty, and development priorities. Once approved, the ESF gains legitimacy as a neutral technical framework, even though its content is the outcome of earlier strategic and political choices.

In an interview, R, an AIIB analyst, provided insights into how the notion of 'green' is integrated into the bank's daily operations. His comments, along with those of T, shed light on the considerations AIIB staff have when interpreting the bank's green policy. Looking back now, this was the point I turned to ask the 'why' question, as shown in Section 5.3, rather than the mere 'how' question behind AIIB's green policy making.

R: There is an invisible dynamic in this screening and reviewing process, a dynamic between us and the bank's board. Basically, we are the ones looking outward globally to identify potential green investments, and they are there to decide which projects will receive investment.

Author: When you say 'the board', do you mean the Board of Directors?

R: Yes, exactly. They make the final decision.

...

R: So, we [the investment teams and the Board] have a common goal. We want to make this process as productive and effective as possible, right? This means considering the bank's broader needs. Now, what makes a project more likely to pass?

Author: A bankable one? Like, a project that is safe and profitable? And, based on what you said, one that aligns with the bank's agenda? A project that can be labelled 'green'?

R: Exactly! That's the dynamic I'm talking about. Do you see what I mean? ... We send projects 'up' for approval, and we want to send 'up' the good ones.

Author: So, would you say that this invisible dynamic pushes you toward 'green' projects?

R: Not push. I'd say it's more of a pull. And it's a good pull, isn't it?

...

Author: You're [AIIB is] sort of shopping for green projects, globally and regionally?

R: Yes, we shop [nodding], for the bank.²⁶

Following the approval, implementation occurs at the level of individual projects and is carried out by project teams, specialists, and clients. The many area-specific project teams govern this stage by structuring project screening, categorisation, due diligence, and supervision. Environmental and social concerns are addressed through assessments, management plans, and monitoring requirements (AIIB, 2024d). In practice, as we will see in Chapter 6, implementation involves continuous interpretation and negotiation. In practice, project teams must balance ESF requirements with financial viability, timelines, and client capacity. Through these routine practices, AIIB's ESF shapes how 'green' is operationalised and which risks are prioritised or downplayed in concrete investment decisions.

The final step involves feedback and revision. Implementation generates experience, disputes, and complaints, including those channelled through third-party accountability mechanisms. These inputs provide information about how a green policy functions in practice. Periodic revisions allow AIIB to update the framework without reopening its strategic foundations. This step stabilises the green policy regime while preserving flexibility. In practice, for example, AIIB's several ESF policy reviews reinforce the ESF's robustness and alignment with the mainstream MDBs.

5.3 Why Strategic Shift?

In this Section, we zoom out to examine the key factors driving AIIB's strategic shift. By 'zooming out', I mean stepping back from the bank's day-to-day operational details to consider its place within a broader network of financial and political power. This perspective allows us to understand the influences—both internal and external—that have shaped AIIB's shift.

Drawing from my fieldwork data, three major factors behind AIIB's shift, namely financial considerations, strategic considerations, and climate language, are analysed critically below.

These will then help to answer the third research question—to what extent and in what ways

²⁶ Interview with R, AIIB analyst, Online, 2 November 2023.

‘green’ can facilitate the expansion of AIIB.

5.3.1 Financial Considerations

It is important and fair to first acknowledge that the pivot toward ‘green’ has been a broader trend among MDBs as they respond to global calls for climate action and sustainable development (Güngen, 2023; MDB, 2023; Michaelowa et al., 2020).

To understand MDBs’ shift, one would need to bear in mind the unique financial model of MDBs. In practice, MDBs are largely self-funding development institutions. While member states contribute a certain amount of shareholding capital to ‘activate’ MDBs, most of MDBs’ on-lending money comes from the global capital market (Humphrey, 2016; Woods, 2006). This means that MDBs will need to borrow money at a relatively low borrowing cost so that they can on-lend resources to their developing clients.

Over the past decade, particularly since the Paris Agreement, it has become crucial for MDBs to position themselves as ‘green’ in order to attract financial market investors who prioritise climate-focused investments. In practical terms, offering green financial products enables MDBs to secure funding more effectively.

Here, AIIB is no exception. I, a senior official, explained the shift with the following conversations:

Our experience has taught us that a focus on climate could help us generate business opportunities. As climate plays a more important role in the market, we shift our focus too. Now, what is our next step? If we give greater prominence to climate, the previous [climate-related] benefits will continue, and it will also become AIIB’s label.²⁷

However, different from other MDBs, beyond the concrete financial need, AIIB’s shift reflects its broader ambition to build a climate-focused public image in the market. Humphrey (2016) describes the influence of an ‘invisible hand’, a subtle yet powerful market pressure that encourages MDBs to adjust their operations. In AIIB’s case, the ‘invisible hand’ manifests not only as direct financial pressure but also as a drive to ‘re-establish’ itself. Since 2020, AIIB has published an annual report on the impacts of its sustainable development bonds, alongside its credit rating report. This added transparency underscores AIIB’s goal of cultivating an image

²⁷ Interview, I, senior official, AIIB HQ, Beijing, 20 October 2023.

as a responsible climate-focused institution to the various financial institutions it deals with. H, AIIB's high-level official, mentioned, 'We care about our reputation in the market, just like any MDBs you know'.²⁸

The third financial consideration is related to the increasing difficulty of finding 'bankable' infrastructure projects. AIIB, by its nature, is an investment bank. This means that it makes profits from loans, equity, and other financial products. However, the bank itself does not create development projects. 'It only screens them, selects them, and invests in them'. K, one of AIIB's high-level officials, mentioned this important feature.²⁹ Other AIIB management-level officials stated in interviews that geopolitical tension, ongoing conflicts, and the global pandemic are also key factors that made investment in cross-border infrastructure (in AIIB's term, 'interconnectivity') projects increasingly difficult.³⁰

5.3.2 Strategic Considerations

While this Subsection will introduce what scholars termed 'instrumental effects' of AIIB's operation, we should recognise AIIB's crucial role in providing alternative climate finance for the Global South. Together with several other MDBs, in 2022, AIIB committed USD 61 billion to climate finance for low and middle-income economies (MDB, 2023; see also Table 1.1 in the overview). In addition, AIIB's use of the Country System in monitoring projects, though doubts exist, provides a valuable opportunity for its Southern borrowing countries to enhance capacity-building and state-building, especially in climate areas (Güngen, 2023; Vazquez & Chin, 2019).

Following this, what better explains AIIB's prominent shift among MDBs is its strategic considerations.

The first strategic factor behind AIIB's pivoting towards climate is China's climate ambition. And it is easy to understand. C, a scholar who has served as AIIB's policy advisor for years, talked about the influence of China on AIIB's climate agenda-building, reflecting the scholarly debates over the relations between AIIB and the rising power.

²⁸ Interview, H, high-level official, AIIB HQ, Beijing, 4 December 2023.

²⁹ Interview, K, high-level official, Beijing, 5 December 2023.

³⁰ Interview, G, high-level official, AIIB HQ, 5 December 2023; Interview, L, high-level official, AIIB HQ, Beijing, 23 November 2023; Interview, R, Analyst, AIIB HQ, Beijing, 5 December 2023.

While the bank claims that it is not simply a component of China's Belt and Road Initiative but an emerging multilateral institution, you may still find some links between [China and AIIB]. I would not say AIIB is not influenced by China's climate strategy and policy...Remember, China has around a quarter of voting power within this multilateral institution.³¹

H, again, commented, 'Green financing is part of what the owners [China and other main stakeholders] of this institution want it to do'.³²

The second strategic factor is somehow more profound. As a newly established MDB with great ambition, AIIB has been trying to rapidly expand its lending and influence. Several years after its establishment, the bank came to realise that climate finance could provide the bank with a unique opportunity for rapid growth. In 2022, for example, AIIB's total climate finance reached USD 2.39 billion, which accounts for 56 per cent of its total approved regular financing (of USD 4.3 billion) for the year (AIIB, 2023c). Along the line, AIIB's total amount of sovereign-backed financing had reached USD 30 billion by the end of 2022, making the bank one of the most robust MDBs in the world today.

S, a former staff said:

In my view, AIIB is a relatively new institution in the field. Yet, it hopes to develop fast, and maybe several years later, become a leading development bank just like the World Bank and EBRD! So what do you do? You might want to cooperate more with the others [traditional MDBs] at the beginning, through which you can learn. You might also want to take as many opportunities as possible...such as climate.³³

The shifting towards 'green' clearly carved out an additional developmental space for AIIB. This happened in two ways. Firstly, climate finance became one of AIIB's tools to expand its investment. In 2021, AIIB approved 47 projects in its regional countries, five times higher than that of 2016 (AIIB, 2024c). Nevertheless, by inserting climate finance into its core value, AIIB transformed from a regional infrastructure investment bank to a 'global financial architecture' (Jin, 2023). In January 2021, for example, the bank approved USD 500 million for its first

³¹ Interview, C, professor, a café at Haidian District, Beijing, 9 October 2023.

³² Interview, H, high-level official, AIIB HQ, Beijing, 4 December 2023.

³³ Interview, S, former official, Online, 23 October 2023.

project in Brazil to support companies or institutions operating in renewable and infrastructure-related fields in and around Minas Gerais.

Secondly, the bank also extended its geoeconomic and geopolitical reach, in the name of ‘climate finance’ and ‘green energy transition’. For instance, AIIB’s 100MW Zhanatas Wind Power Station in Kazakhstan, as Chapter 6 and 7 will show, was one of the ‘star’ projects of the China-Kazakhstan production capacity cooperation under China’s geostrategic BRI (Xinhua, 2021a). Once completed, the project can be the biggest wind farm in Central Asia, representing China’s enlarging political and economic in the strategically important Eurasian area (Xinhua, 2023). Egypt, too, received seven investments in energy, transport, and water sectors from AIIB during 2017–2023, and hosted AIIB’s annual conference in September 2023.

Ferguson (1990) reveals how ‘development’ can be a system of knowledge, technologies, and practice that regulate people and places as simple ‘objects’ of development intervention. Anthropology of development also shows how ‘development’-related terms can serve as a ‘point of entry’ for dominant players like states and development institutions to expand the exercise of their bureaucratic power while failing to deal with real problems (Agrawal, 1995; Escobar, 1995; Mitchell, 2002). In AIIB’s case, ‘green’ plays a similar role in justifying and ensuring AIIB’s expansion. By integrating ‘green’ into its core value and redefining itself as a ‘climate’ institution, AIIB effectively expanded its influence in a way its background and interests can sometimes be put aside. In a sense, the bank successfully justified its expansion through ‘climate’. high-level official I, again, said in the interview:

‘When thinking of AIIB, people think of it as an active climate bank’.³⁴

5.3.3 Climate as the ‘Common Language’

There are also sociological explanations for AIIB’s shift towards ‘green’. My interviews with AIIB officials suggest that ‘climate’ has emerged as a ‘common language’ within the bank in recent years, influencing many of the decisions and behaviours of AIIB staff.

One notable impact of AIIB’s emerging language on and commitment to ‘climate’ is observed among younger officials who have recently joined the bank. N, an analyst, highlighted this trend in interviews:

³⁴ Interview, I, senior official, AIIB HQ, Beijing, 20 October 2023.

From the outside, AIIB has been an MDB going after themes like helping developing nations through green infrastructure. But when you get in here, it definitely feels like you are [only] within your own department...The working cultures of departments are very different...The common language is climate.³⁵

The management and leadership, too, promote this climate language within the bank, while at the same time being affected by it. The process has something to do with their own experience and belief. L, one of AIIB's high-level officials, mentioned several ways the bank's management and leadership can be affected by the broader MDB climate ('green') agenda:

There are many ways the bank can be influenced by the 'climate culture'. First, the leadership of the bank is under influence. Many of our high-level officials have experience working in western MDBs like the World Bank and ADB...They themselves are the influence. Second, there are various platforms [for officials] to exchange with outside. COP27, COP28, Joint MDB Report on Climate, a lot! Thirdly, our staff also have various backgrounds... They are trained to be sensitive to climate.³⁶

MDBs do not exist in a vacuum. Instead, they operate within a network of multilateral finance. Despite being established with specific mandates, the actual operation of MDBs is contingent on how these mandates are interpreted and put into practice. Therefore, they persist, but 'remain contested' (Güngen, 2023). Primarily, AIIB, as a whole, operates in a complex network of MDBs, global investors, borrowing countries, rating agencies, and NGOs (Humphrey, 2022; Kellerman, 2019). While the bank's Article of Agreement draws out its general principles, objects, and procedures, AIIB can selectively interpret these rules in a way that it can keep up with the changing market. Secondly, there is an active exchange of staff among MDBs. Among the interviewees, for example, more than half of them used to work or will be working in other MDBs, mostly the traditional ones.³⁷ Thirdly, it is noteworthy that many of AIIB's leadership have experience working in Northern-led MDBs. P commented, 'They take what they know here, and construct the bank as they imagine how AIIB should function.'³⁸

³⁵ Interview, N, analyst, AIIB HQ, Beijing, 24 Oct 2023.

³⁶ Interview, L, high-level official, Online, 23 November 2023.

³⁷ Among the interviewees, 20 of them have worked at other MDBs, mostly Northern-led MDBs; 5 of them hope to work at other MDBs in the future, all 6 former staff are now working at other MDBs.

³⁸ Interview, P, senior official, AIIB HQ, Beijing, 1 November 2023.

An additional note is that the bank's current status also makes it easier to shift. As an MDB with a relatively shorter history and fewer employees, AIIB was able to swiftly adjust its lending strategy. Despite managing a portfolio of 202 projects, the bank had only 454 professional staff and 62 economy representations by the end of 2022 (AIIB, 2024a), significantly fewer than its MDB peers such as the World Bank and the European Bank for Reconstruction and Development (EBRD). Additionally, a unique feature of AIIB is its Non-resident Board of Directors, which has garnered significant attention in the literature (Vazquez & Chin, 2019; Wang, 2019; Wang, 2018).³⁹ M, an high-level official, highlighted in an interview that this feature could play a role in the bank's decision-making process.⁴⁰

However, in addition to my theoretical argument on the bank's climate language, I also have a practical observation to make.

In many of the interviews in Beijing, the leadership and management of AIIB brought up the concept of 'value-add'.⁴¹ The meanings of 'value-add' refers to doing things 'traditional MDBs would not or cannot do', and it also points to how the future development of the bank.⁴² In AIIB's Corporate Strategy, it states: 'AIIB, as it matures, will gradually expand its capacity, role and value-add in social infrastructure and other productive sectors' (AIIB, 2024b, p.16). The statement here represents not only AIIB's ideas of doing business in the future but also the bank's greater goal to be 'a different MDB'.⁴³

This, however, presents a puzzle. That a new MDB claiming to 'add value' and 'be different' is prone to rely so much on the language (and the thinking and standards behind the language) of traditional MDBs.

Built on my fieldwork, three factors might be relevant. First, as a 'new kid on the block', AIIB's success relied much on its co-financing with traditional MDBs.⁴⁴ According to the bank's

³⁹ Simply put, the unique Non-resident Board of Directors means that the board focuses on high-level decisions rather than everyday matters, allowing greater efficiency in the bank's decision-making. However, this setting also means that greater power and influence are given to the bank's President (who is Chinese) and high-level officials (who are professional development bankers).

⁴⁰ Interview, M, high-level official, Online, 1 November 2023.

⁴¹ Interviews with I, J, M, and R; Also, interview with C.

⁴² Interview, F, one of the leaders of AIIB, AIIB HQ, 4 December 2023.

⁴³ Interview, P, specialist, AIIB HQ, Beijing, 1 November 2023.

⁴⁴ Interview, F, one of the leaders of AIIB, AIIB HQ, 4 December 2023.

internal review, half of AIIB's financing has been co-financed with other MDBs, such as EBRD, IBRD, IFC, and ADB (Xinhua, 2020). Second, AIIB also relies heavily on the standards of traditional MDBs in terms of its project monitoring. Oftentimes, AIIB co-finances with more experienced MDBs and adopts their project-level environmental and social monitoring results. It might be shocking to many AIIB critics that five years after its operation the bank has not accepted 'a single complaint'. Third, scholars have also pointed out that AIIB's reliance on financial intermediaries might be harmful to the bank in the long run due to their relations with accumulation regimes and politicised connections (Güngen, 2023). Given the increasing prominence of MDB climate finance, these conflicts will only exacerbate if not handled properly. P, a specialist, expressed his concern in his way:

Traditional MDB [World Bank] has its own mandate, and its own resources and processes. It has twelve times more resources than us in terms of human capacity! You are never going to replicate its processes. And if we copy the processes without the capacities, you can imagine what is going to happen.⁴⁵

The evidence indicates that AIIB is likely to face a risk of its unique identities being put aside, though it is likely to maintain its success in the climate finance sector. In 2016, AIIB was created with a lot of expectations as it owned unique identities that traditional MDBs do not always have at the same time, namely 'Southern-led' (Prinsloo, 2019; Reisen, 2015), 'infrastructure-focused' (Vazquez & Chin, 2019), and 'lean' (Gu, 2017). As AIIB aligns itself more with the traditional MDBs in terms of governance, lending, and safeguarding in promoting climate finance, these identities, upon which AIIB was built, can be weakened. Here, the concern is not that AIIB overly cooperates with traditional MDBs. It is that AIIB's fetishisation and adaptation of their benchmarks can be dangerous. This could be a caveat for AIIB in both the short and long run.

One possibility is that in the short run, AIIB will keep expanding its influence by swinging into climate finance, while still claiming that it is an infrastructure bank. However, it is also possible that, as AIIB matures, it will once again pick up its unique identities, with more confidence and patience, recalling Qian et al. (Qian et al., 2023).

⁴⁵ P, specialist, AIIB HQ, Beijing, 1 November 2023.

5.4 Conclusion

This Chapter follows a clear structure. In Section 5.1, I outline AIIB's strategic transformation from 2016 to 2024, as it evolved from an infrastructure-focused Asian-based development bank to a climate-oriented global institution. In Section 5.2, I delve into how this shift is achieved by examining the making of AIIB's green agenda. Section 5.3 discusses three key factors driving AIIB's strategic pivot. While I have detailed my observations in each Section, here I will restate my main argument in a more direct and transparent way.

I argue two main points: first, that 'green development' has enabled AIIB to engage with its peers, especially mainstream MDBs; and second, that 'green development' has facilitate AIIB's expansion at both institutionally and financially. Rather than functioning as a rigid institution, AIIB has demonstrated a smart, adaptable approach, shifting its practices quickly to align with emerging global standards. By adopting a 'green' image, the bank positions itself not as a China-controlled new MDB, but as a credible, professional institution dedicated to green development. In short, as my conversation with R revealed, AIIB is doing its 'global power shopping' through its 'global green shopping'.

My argument, then, challenges prevailing understandings of AIIB and extends the current MDB literature. Existing studies attribute AIIB's rapid rise to (a) the financial resources it commands from China and (b) its strong relationships with member countries (Liang, 2021; Qian et al., 2023; Wang, 2019). However, my primary fieldwork data simply suggests otherwise. Despite its good credit rating, securing funding has been a central concern for AIIB. Also, as Chapter 4 shows, AIIB hasn't always enjoyed smooth relationships with member countries necessary for key investments as many have assumed. What ensures its growth can also be non-material—its strategic turn to 'green development', rather than material—its money and authority. I thus offer a critical perspective for the MDB literature that we cannot assume that MDBs simply equate to 'puppets' of their creators (Clark & Dolan, 2021). In their everyday operations and within regional contexts, while being a tool of their creators, MDBs can be somewhat autonomous institutions that can observe, think, and move. Or, moving one step further, as Chapter 7 will show, in some places, they might even pave the way for their creators (Escobar, 1995; Kellerman, 2019).

But this does not imply that AIIB operates entirely free from China's financial, political, or even ideological influence. Without China's backing, the bank would not have been able to

grow as rapidly as it has. My interviews, for example, the one with AIIB expert C, who is a scholar in Beijing studying AIIB, indicate that both the bank's strategic and operational decisions are deeply influenced by its largest stakeholder, though in subtle and nuanced ways.

Chapter 6 Demystifying AIIB Investment: Zhanatas 100 MW Wind Power Plant

In the previous Chapters (Chapters 4 and 5), I examined AIIB's evolving green agenda from an institutional perspective, therefore addressing my first research question—how AIIB approaches 'green' and translates it into actual policy—and partly my third research question—to what extent and in what ways 'green' can depoliticise the expansion of AIIB and China. Since 2019, AIIB's pivot towards 'green energy' and 'climate finance' has been highly strategic and rewarding. The bank leverages its existing financial resources while seeking to gain what it has long aspired to: experience, credibility, and reputation. By now, it is clear to us that AIIB has constructed a compelling, influential, yet highly flexible green agenda—but one that exists largely in Beijing.

In this Chapter, I turn to the first half of my second research question: how does AIIB implement its green agenda, on the ground? I seek to demystify AIIB's engagement with green finance by critically examining its so-called flagship green project in Central Asia—the 100 MW Wind Power Plant in Zhanatas, Kazakhstan.⁴⁶ By 'demystifying', I refer to tracing and reconstructing the full life cycle of a green energy project, from its initial conception to its operational realisation.

To interrogate AIIB's green agenda as it exists in practice, I engaged with the bank directly—or at the very least, closely observed those actively involved in implementing it. My fieldwork was structured as a year-long multi-sited journey. In Beijing (August 2023–February 2024), I traced the project's conceptualisation within AIIB's headquarter, exploring how the bank positioned itself as a green financier, along with others. In Zhanatas (March 2024–June 2024), I examined how the abstract notion of 'building a wind farm' materialised within the specific conditions of a local development setting. It was only when I followed a concrete AIIB-funded green project that I could fully grasp the nuances and contradictions of the bank's overarching green agenda.

My findings are somewhat surprising. Put simply, in my case, AIIB does not act alone in

* Part of this Chapter is published. Zeng, W. (2025). 'Actors on the Ground: A Missing Dimension in China's Belt and Road Initiative.' *The Journal of Development Studies*, 62(4), 527–544.

implementing ‘green’. Instead, it operates within a network of state, quasi-state, and non-state actors, many of whom are deeply embedded in China-led or China-backed institutions. This is evidenced by the statements of many often-neglected individuals, such as the caretakers at the wind energy project, KT and XA, as being discussed in this Chapter. The institutional-level evidence presented in Chapters 4 and 5 indicates that AIIB should be understood both as a ‘multilateral’ bank and a ‘Chinese’ development institution. Here, even at the project level in Zhanatas, the implementation of its green agenda is largely translated and adjusted by Chinese actors and ultimately serves China’s strategic interests.

More profoundly, the way AIIB implements ‘green’ tells us more about why it adopts ‘green’ in the first place—addressing my third research question. While state, quasi-state, and non-state actors involved in AIIB’s projects operate in a rather fragmented and decentralised manner, often pursuing their own institutional interests, their actions collectively align with China’s broader geopolitical strategy, most notably the BRI. ‘Green’, presented as apolitical, technical, and objective, then functions as a strategic term obscuring the underlying geopolitical intentions and interests of AIIB and its founding state, China.

My findings make significant contributions to the literature on AIIB and China’s grand strategy. Within the MDB literature on AIIB, this Chapter presents the first empirical evidence of how the bank implements its green agenda in a specific context. More importantly, my research substantiates—for the first time—the argument that AIIB operates in service of China’s strategic interests. In the literature on BRI, my findings demonstrate how China’s grand strategy is implemented through a network of decentralised and fragmented actors on the ground, despite a powerful, overarching, and controlling Chinese state, echoing Jones and others (Hameiri & Jones, 2016; Jones & Zeng, 2019).

Additionally, in this Chapter and the next Chapter, I frequently employ the term ‘on the ground’ to highlight a) the deep embeddedness of AIIB’s green projects in local contexts, and b) the critical role of ‘the network of actors’ in translating the ‘grand strategy’ into actual realities (Lewis & Mosse, 2006; Sud, 2014). These actors, being largely non-state and quasi-state actors, are often overlooked in the literature. However, my fieldwork shows that they play an important role in implementing and consolidating the highly flexible AIIB green agenda (or ‘AIIB climate finance’). By presenting a somewhat detailed account of these actors and their work, my goal is to move away from narratives that portray them merely as passive instruments of AIIB-

funded green energy projects, or AIIB, or even China's BRI (Krpec & Wise, 2022; O'Neill, 2014; Peyrouse, 2016; Power et al., 2016; Su, 2012).

I present my findings following a progression from simple to complex. I begin with the 'how'—simply presenting a short history of 'building a wind farm' in Zhanatas. I then delve deeper into the nuances beyond this 'how', examining a process through which AIIB and a network of state, quasi-state, and non-state actors implement projects. Finally, I address the 'why' and 'so what'—exploring why these actors can be linked together and what this reveals about broader dynamics of AIIB's green agenda and China's global reach.

Section 6.1 focuses on the 'how'—the process. This Section offers a short history of the Zhanatas project—from its initial conception to operational realisation.

Section 6.2 further unpacks the 'how'. I examine how AIIB, alongside a network of state, quasi-state, and non-state actors, implements projects. I provide a brief introduction to these actors, their roles, and their evolving engagements over time.

Section 6.3 shifts to the 'so what'. First, I show that while the actors operate within a somewhat fragmented and decentralised framework, each pursuing their own institutional identities, agendas, and interests, they eventually archive, collectively, the objective of 'building a wind farm'. Second, I examine how these actors are linked through a specific green project and, ultimately, a 'green' label. By doing these, I also address the broader implications—what the dynamics on the ground reveal about the larger structures, particularly AIIB and China's BRI.

Section 6.4 concludes by synthesising these dynamics and presenting my response to the first half of my second research question. I articulate my core arguments and discuss how this Chapter contributes not only to AIIB literature but also to broader debates on China's BRI.

6.1 A Short History of the Zhanatas Project

The initial idea of 'building a wind farm' originated from a Kazakhstani minister and the Kazakh energy giant Visor Investments. The country has traditionally relied on coal-fired power plants, which generate over 80% of its electricity. However, coal reserves are concentrated in the north, where 70% of the country's electricity is produced, while the

majority of the population resides in the south, consuming roughly 70% of the national electricity supply (MoE of PRC, 2021). This geographical disparity has necessitated long-distance electricity transmission, often resulting in inefficiencies and frequent power shortages in southern cities. In Zhanatas, for instance, local residents report recurrent blackouts during peak summer months and unstable voltage, leading to flickering lights (MoE of PRC, 2021).

Kazakhstan, however, possesses abundant renewable energy potential, particularly in the south. According to estimates from the United Nations Development Programme, the country's wind energy capacity alone could reach 920 billion kilowatt-hours annually, with southern regions being especially resource-rich (UNDP, 2024). Recognising both the challenges and opportunities, the Kazakhstani government has prioritised renewable energy development to diversify the national energy mix and address regional imbalances. Official plans aim to increase the share of renewable energy from 3% in 2023 to 6% by 2025, 10% by 2030, and 50% by 2050 (AIIB, 2024g). Against this backdrop, the Zhanatas project emerged as a critical initiative in Kazakhstan's renewable energy transition.

In 2015, the Kazakhstani Visor Investments, acquired the quota for 'building a wind farm in Zhanatas' through a state-led auction before subsequently transferring it to the Chinese ZWPS and its parent CPID. In simple terms, Kazakhstan employs an auction-based mechanism to determine tariffs for green energy projects. Between 2018 and 2021, the country conducted auctions that allocated over 1,700 MW of renewable energy capacity, leading to the development of 75 projects (IEA, 2024). These auction-based power purchase agreements (PPAs) ensure that all electricity generated is sold to a designated centralised buyer of green energy, effectively 'reinforcing a monopolistic structure within the sector' (IEA, 2024).

Since 2015, and throughout 2016, Companies X, Y, and Z have been actively engaged in research and project design in Zhanatas. However, each company undertook distinct responsibilities. Visor Investments managed government relations and secured the project quota, while CPID focused on obtaining funding and assessing the legal framework. Meanwhile, ZWPS conducted the actual research and design work necessary for project implementation.⁴⁷ DN, one of ZWPS's leaders, told me in the interview:

⁴⁷ Interview with DN, one of the leaders of ZWPS, March 2024, Almaty, Kazakhstan. Interviewed in Chinese, translated into English by the author.

DN: We all do our part. This is convenient. ...A good deal only happens when we all do our professional things.

DN: Visor Investments is a Kazakh company, and they know how to deal with the government. I won't be able to tell you how exactly they get the quota, but I can tell you it is a lot of work. I imagine you will know.

Author: And what does CPID do?

DN: Our mother Company, CPID, as you know, is professional in designing and securing green energy projects, such as solar projects and wind projects.... So they are the main people who design the Zhanatas project.

Author: Wait. Do they look out for funding too? For you?

DN: They do. But that happened only later. I am now talking about the post-2018 period. ...This is what you refer to as 'designing'.

...

DN: We do the local research, basically to see if CPID's plan is doable. ...We mark the risks, and they deal with it.

DN: I am the first group of the people [Chinese] to enter Zhanatas. As early as 2015. Such a long time ago. ...how many eight years do you have in your life?⁴⁸

DN's statements reveal two critical insights. First, what DN described as a 'good deal' was, in reality, the outcome of a prolonged and complex process. Second, there are indications that certain levels of corruption may have been involved in Visor Investments's dealings with Kazakhstani ministries. This second point was corroborated in my interview with SL, a local intellectual and professor of political ecology in Kazakhstan. I met SL in May 2024 to discuss the broader landscape of the country's green energy sector. In a small café in downtown Almaty, he shared the following insights.

In my opinion, the country still relies on the traditional energy, such as coal, oil, and gas. Green energy is growing indeed, but it only has a small portion. ...Oh yeah, there is a strong connection between the large energy company and the ministry of energy, the ministry of investment [and development], and the many local governments. ...The auction, as you have seen, created not a free market, but an increasing monopoly. ...Used to be oil and gas, now is solar, wind, and nuclear.⁴⁹

⁴⁸ Ibid.

⁴⁹ Interview with SL, professor in Political Science in Almaty, April 2024, Almaty, Kazakhstan. Interviewed in English.

The ‘institutionalisation’ of the Zhanatas project began in 2016. ‘Institutionalisation’ meant that the Zhanatas project was no longer merely a market-driven venture but had become part of a broader diplomatic and geopolitical agenda. Following Chinese Premier Li Keqiang’s visit to Astana in 2014 (as will be discussed in Section 6.2.1), the CKPCC framework began to take concrete shape. By mid-2016, it had evolved from a broad diplomatic concept into a fully operational mechanism, offering tangible benefits to several large-scale energy projects between China and Kazakhstan. The Zhanatas project, as many had expected, was among the first key energy initiatives to be incorporated into this framework (Xinhua, 2023). This ‘institutionalisation’ carried two significant implications. First, the Zhanatas project gained privileged access to administrative, diplomatic, and financial support from the central governments of both countries. As a flagship initiative under CKPCC, it enjoyed streamlined approvals, enhanced policy backing, and preferential financing arrangements (Xinhua, 2019). Second, the project was now firmly embedded within the broader BRI, much like AIIB itself. This positioning reinforced its strategic importance, aligning it with China’s global development agenda.

Once the project became institutionalised, it was almost inevitable that CPID would seek investment from AIIB. Around 2018, a deal was signed between MDBs (primarily AIIB) and CPID for investment in the Zhanatas Project (EBRD, 2020). In May 2019, AIIB approved the project’s concept review, and by December 2019, the bank had officially approved its investment (AIIB, 2019c). KT, one of the leaders of ZWPS, a subsidiary of CPID, walked me through the details of this cooperation between AIIB and CPID.

It was, in many ways, a ‘first time’ for many people. For us, that was the first time we sought money from an external bank [meaning an MDB]. For them, too, that was AIIB’s first green energy investment in Central Asia. What we were hoping was that the investment will become a sort of ‘example’. It will show a great cooperation between an experienced SOE and a young external bank. This will be our contribution to the BRI. Do you now have a sense?⁵⁰

However, the way AIIB engaged in the investment came as a surprise to many. DN, the Vice President of ZWPS, explained how what initially seemed like straightforward cooperation later

⁵⁰ Interview with KT, one of the leaders of ZWPS, April 2024, Almaty, Kazakhstan. Interviewed in Chinese, translated into English by the author.

turned into a negotiation—and eventually, a competition. For months, DN held back, believing it was inappropriate for him to share the full story. However, during my last trip to Zhanatas, he appeared to change his mind. Our conversation took place just a few days before I left.

DN: At that point [2018], what we wanted was a quick money. A money that can be used directly on the construction of the project. This money would have done us a big favour.

Author: I thought this was the case.

DN: Not at all. Money is slow. ...By the time we received it, the project was almost done [late 2019]. What was more killing us [Yao Ming, meaning ‘killing’ or ‘painful’ in Chinese], was that the money was troublesome.

Author: Troublesome, what do you mean?

DN: You should know what I mean. External banks [MDBs] have too many regulations on the environment and social impacts. They have to do this check, and that check, and then the second round of this check, and then the second round of the check....

Author: The environmental and social framework.

DN: Ah yes, ESG. And other things. I mean, being careful and considerate is good, but you have to be realistic, especially for a large-scale energy project like this [Zhanatas]. We thought we were on the same boat [want the project to happen fast]. But it turned out that they are not.

Author: What does it mean?

DN: Two things. First, we are different. We work for different shareholders and do things in different ways. Second, we want different things. We want different things because we are different. This is nothing embarrassing.

Author: It is just different positions and different interests.

DN: That is it.⁵¹

The rest of the story follows a familiar trajectory. Between December 2018 and April 2019, the project reached its initial construction phase, carried out by a Chinese construction company (Xinhua, 2023). On 12 May 2019, the first turbine arrived in the town of Zhanatas. By early 2021, the project was largely completed, but it underwent a series of assessments and tests before becoming fully operational (EBRD, 2020). In June 2021, Central Asia’s largest wind farm was officially commissioned. By the end of 2022, it had generated approximately 750 million kWh of electricity (Xinhua, 2023).

⁵¹ Interview with DN, one of the leaders of ZWPS, June 2024, Zhanatas, Kazakhstan. Interviewed in Chinese, translated into English by the author.

It has now become evident how the project was built—but not without difficulty. If anything, the short history of the Zhanatas project reveals that the project unfolded in a far more intense, competitive, and dynamic manner than many might have imagined. In the following Section, I will further explain the ‘how’ question.

6.2 Building a Wind Farm

Infrastructure and development projects are often high-risk, long-term, and large-scale (Cai, 2018; Lauria, 2023).⁵² This is especially the case for AIIB’s green investment in Central Asia.

The development of the Zhanatas wind farm has been a lengthy process. In addition to AIIB’s prominent role, a network of state, quasi-state, and non-state actors on the ground has been instrumental in translating abstract concepts such as ‘green energy’ and ‘climate finance’ into tangible, operational practices.

In this Section, I examine how AIIB, alongside a network of state, quasi-state, and non-state actors, specified and operationalised projects. I explain these actors, their roles, and their evolving engagements over time. While this Section offers many details about how actors translate and adjust AIIB’s green agenda in Zhanatas context, I summarise their influence by presenting this table below (Table 6.1).

⁵² Also revealed from interviews with K (AIIB high-level official), O (AIIB specialist) and DN (one of the leaders of ZWPS). See the following.

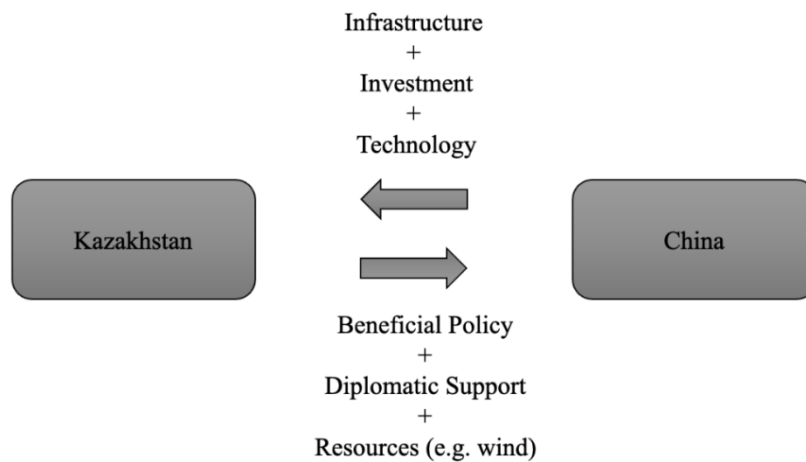
Table 6.1 Actors on the Ground and Their Influence

Actors	What Influence	Influencing What
Government Officials	• Planning • Formalising • Supporting (administratively) • Securing (financially)	• Putting Zhanatas project into CKPCC • Tax Exemption for Zhanatas project • Setting CDB funds • Issuing Visas
Bankers	• Investing • Regularising	• Joint investment agreement between AIIB, EBRD, ICBC, GCF for Zhanatas Project • Conducting Environment and Social checks for Zhanatas project
Managers	• Designing • Managing • Communicating • Supervising	• Leading the construction and operation of Zhanatas project • Overseeing and managing Zhanatas project • Distributing project benefits to local governments and people
Technicians	• Operating • Safeguarding	• Running Zhanatas project • Conducting daily security checks • Safeguarding and maintaining Zhanatas project

6.2.1 The Groundwork

States do the groundwork for development projects. In the case of Zhanatas, ‘states’ are key high-level officials from both China and Kazakhstan. While high-level officials do not work directly on the project, they play a crucial role in facilitating its development. Without these key figures, the Zhanatas project would not have been possible. However, to be upfront, we do not know exactly how many high-level officials were involved, nor do we have practical access to speak with them. Nevertheless, we can observe the significant influence of several key figures in shaping the project, particularly in the planning stages.

Figure 6.1 The Overall Ideas of the CKPCC Framework



Sources: Figure made by the author.

In December 2014, Chinese Premier Li Keqiang made an official visit to Kazakhstan, during which he introduced the concept of ‘International Production Capacity Cooperation’ under China’s BRI for the first time. During his stay in Astana, which lasted several days, Li reached a consensus with Kazakhstani leaders on what became known as ‘China-Kazakhstan Production Capacity Cooperation’ (CKPCC) (Xinhua, 2019). Since then, CKPCC has emerged as a significant framework underpinning China’s BRI, specifically outlining energy cooperation between the two countries. While the exact details of how this consensus was negotiated and achieved remain unknown, it is clear that both sides view CKPCC as a crucial mechanism for advancing their economic interests and geopolitical influence.

Li, in his meeting with President Nursultan Nazarbayev of Kazakhstan, said firmly:

China and Kazakhstan need to forge new growth points and explore bright spots in cooperation to gear up the development of bilateral relations and upgrade them in a comprehensive manner. China is ready to actively participate in implementation of Kazakhstan’s ‘Bright Road’ initiative that is aimed at revitalizing the country’s economy, join efforts with Kazakhstan to carry out infrastructure construction cooperation such as developing steel works and power plants and building railroads, and join hands to address

various challenges faced by the international economy, so as to achieve mutual benefit, reciprocity and common development (MFA of PRC, 2014).

The Head of State of Kazakhstan, too, appeared to be satisfied with the consensus:

You have contributed greatly to the formation of a new stage in Kazakhstan-China cooperation. Implementation of the agreements reached within the framework of your visit, as well as proposals on the transfer of a number of industrial facilities is in full swing in Kazakhstan. As a result, to date 25 agreements on creation of joint industrial projects have been signed (Official Website of President of Kazakhstan, 2015).

Following the statement, in 2015, building on CKPCC, China and Kazakhstan signed the *Framework Agreement on Strengthening Production Capacity and Investment Cooperation*. This agreement set out the objectives, principles, areas, and mechanisms for collaboration between the two countries. It also makes some specific rules for the ministries. First, to implement the framework, China's National Development and Reform Commission (NDRC) and Kazakhstan's Ministry of Investment and Development (MID) established the China-Kazakhstan Production Capacity and Investment Cooperation Coordination Committee, co-chaired by officials from both sides (Xinhua, 2019). Second, the two governments also created a project docking mechanism, with China Overseas Development Association (CODA) and Kazakhstan's KAZNEX-INVEST taking the lead in coordinating enterprises, tracking projects, and ensuring updates (Xinhua, 2019). Third, ministerial dialogues are held regularly to refine the list of key projects and address challenges that arise in implementation.

The first stage of the groundwork involves clearing an administrative path for the project. Wang Kewen, Deputy Secretary General of CODA, explained how these officials dealt with key challenges in implementing the framework. In June 2017, the governments of China and Kazakhstan signed the *Agreement on Tax Exemption of Individual Types of Income for Direct Investment in Kazakhstan* under the CKPCC framework. This agreement exempts certain types of income from direct investment in Kazakhstan by the Kazakhstan-China Production Capacity Cooperation Fund from taxation (Xinhua, 2019). More early on, CODA's research revealed that Chinese companies operating in Kazakhstan faced significant visa difficulties, which not only hindered project implementation but also discouraged further investment. To address this, after rounds of negotiations, the foreign affairs ministries of China and Kazakhstan signed the *Agreement on Facilitating Business Visas for Both Parties* in December 2015, which came into

effect in July 2016 (Xinhua, 2019). In my fieldwork, many of the Chinese SOE workers hold this type of ‘special work visa’ to enter Kazakhstan.

The second stage of the groundwork focuses on securing financial backing to ensure the project’s viability. For example, the China Development Bank (CDB) set up a special loan worth 15 billion U.S. dollars (or equivalent RMB) to support China-Kazakhstan production capacity cooperation under the China-Kazakhstan production capacity and investment cooperation mechanism (CDB, 2023). This loan was designed to finance projects included in the China-Kazakhstan production capacity cooperation list. As of the end of March 2019, CDB had issued loans exceeding 1.1 billion U.S. dollars to four major projects under this framework. Similarly, in December 2016, the Silk Road Fund invested 2 billion U.S. dollars to establish the *China-Kazakhstan Production Capacity Cooperation Fund*, focusing on supporting production capacity cooperation and related investments. This was the first dedicated fund established since the inception of the Silk Road Fund (Xinhua, 2019).

If anything, these frameworks, schemes, and official statements indicate that state actors play an active role in facilitating energy cooperation between the two countries, and more specifically, in enabling the Zhanatas project. High-level officials are usually silent and operate in the background, making them easier to overlook. However, I argue in this Chapter that they remain the most critical actors in bringing the project to fruition. Without their efforts, a ‘flagship’ project like Zhanatas would not have been able to mobilise such substantial resources or attract significant attention. It is under the ‘care’ of the high-level officials that the Zhanatas project was conceived, designed, and realised.

It is true that we are far from constructing a detailed account of the high-level officials doing the groundwork for the Zhanatas project. However, we can form a general sense of their profile. These high-level officials, both Chinese and Kazakh, are powerful, determined, and experienced. They are also problem-oriented and influence-driven. Most importantly, they usually remain in the background of the projects we examine—or, in many ways, they are the background. While it is impossible to determine exactly how many high-level officials are involved, we can identify some key figures, such as Kazakhstani Prime Minister Alikhan Smailov, Kazakhstani Minister of Investment and Development Asset Issekeshev, Chinese State Councilor Yang Jing, Chinese Ambassador to Kazakhstan Zhang Xiao, Chinese Vice Foreign Minister Cheng Guoping, and Assistant Minister of Commerce Wang Shouwen. Even

though their voices remain largely unheard, media reports and official documents indicate that their roles are ‘out there’.

6.2.2 Financing Zhanatas

For the Zhanatas project, the investment comes largely from non-state international players at MDBs, such as AIIB. The total project cost of the Zhanatas 100 MW Wind Power Plant is USD 136.2 million USD, of which AIIB loan is USD 46.7 million. The rest of the money mainly comes from EBRD (24.8 million), ICBC (22.9 million), and GCF (MFA of PRC, 2014).

In October 2020, officials from AIIB, EBRD, ICBC, and GCF jointly signed the loan agreement with representatives from CPID and Y at AIIB HQ in Beijing (Xinhua, 2020). These facts then challenge what we would usually assume about the Zhanatas project. First, global capital, rather than a single ‘Chinese capital’, plays an important role in financing the Zhanatas Project (Chan & Pun, 2020; Shen & Power, 2017). Second, international AIIB officials, instead of the presumed Chinese officials, are the key actors directing financial resources to the project.

To better explain how the decisions Zhanatas were made, I offer some details of my interviews with AIIB officials here. Building on weeks of online communications, I met one of the key AIIB-side AIIB officials in Beijing in November 2023. After sitting for 10 minutes in the grand, modern, and new lobby hall of AIIB’s headquarter, I managed to see K (pseudonym) himself. K is a professional infrastructure banker, having worked for the private sector in Asia for decades before joining AIIB as a high-level lead in 2016. He is around 40 to 50, tall, dressing in suits. Like in many other interviews with the professional AIIB officials behind the Zhanatas project, we shook hands, briefly talked, and then took the elevator to his office. From the way his colleagues talked to him, I could tell that the man was not only highly professional but also highly respected within his institution. But he did not intentionally show his power to me.

K was open and upfront about the Zhanatas project in our 50-minute interview. I was straightforward, directly asking critical questions about his financial and political considerations behind the Zhanatas project. He answered them one by one, in a logical way. There were several times he pushed back and asked me why certain questions were asked in this research-based conversation, but he managed to defend himself politely and gently. Towards the end of our interview, he promised to help me with my visit to the Zhanatas project

in Kazakhstan, saying ‘Try your contacts first and come back to me if they do not work out’.⁵³ While the interview involves a lot of technical details, some of K’s statements might help us understand how AIIB’s decision to invest in Zhanatas was made:

I do not think in terms of innovation. I think and do things practically. The other colleagues you have been seeing might tell you more about the green agenda of this bank, but my job is to make sure all of our investments are actually wise and safe. This is also why I am busy. I need to talk to clients, go to the project sites with my team, and do my judgement.⁵⁴

AIIB not only does investment, it also carries out environmental and social assessments to make sure that its green projects look ‘green’. O (pseudonym) graduated from a top university in the UK. He joked with me, ‘I learned critical development theories to make fun of development banks and ended up working for them’. In AIIB, O’s role is closer to the post-investment stage, focusing on the environmental and social impacts of the bank’s projects. In our one-hour conversation, he understood well the critical nature of my research and soon got to the point:

Even during the pandemic, my team tried its best to go to various project sites. ...As investors, we check not only how our money is used but also on whom our money has impacts. I know these checks are just basic, but they are better than nothing. This is the difference between MDBs and commercial banks.⁵⁵

6.2.3 Vitalising Zhanatas

Different from AIIB officials who send the resources in, the quasi-state SOE managers are the ones who start the business in the target country.⁵⁶ Typically, SOE managers are Chinese men who originally worked for China’s quasi-state companies, oftentimes SOEs like CPID, as middle-level officials. Promised a promotion if they succeed, they spend years in a foreign country to facilitate BRI projects (Heberer & Schubert, 2012). The leaders of ZWPS are good models of SOE managers functioning under the Chinese state.

ZWPS is a country-specific subsidiary unit of CPID, the largest power utility conglomerate in

⁵³ K, AIIB high-level Official, Interviewed in Beijing, China, November 2023.

⁵⁴ Ibid.

⁵⁵ O (pseudonym), AIIB analyst, Interviewed in Beijing, China, September 2023.

⁵⁶ In Section 1.4, I pointed out that both ZWPS and CPID are, in nature, Chinese SOEs.

the world and a major Chinese SOE (CPID, 2021; EBRD, 2020). With a clear goal to undertake China's several BRI energy projects in Kazakhstan, ZWPS was established in 2018 to facilitate the construction, operation, and development of projects on behalf of CPID (AIIB, 2019c; CPID, 2021). The work of the SOE managers, then, is to mediate between Kazakhstani energy-related ministries, the Zhanatas government, local communities, and project workers to make sure the wind power plant can be built and operated as planned. This is nevertheless a difficult job.

Throughout my fieldwork in Kazakhstan from March to June 2024, I met KT (pseudonym), one of the leaders of ZWPS, several times for interviews. KT is a middle-aged Chinese man who has been working in the green energy sector for decades, both in China and abroad. I met him in his office in central Almaty, where he presented me a pile of project paperwork. He later said, 'Read them as you like, they will help you have a deeper understanding of the Zhanatas project you're working on, but I am not authorised to allow you to bring them away'.⁵⁷ The interview with KT was the first point I realised the crucial role Chinese SOE managers (ZWPS) play in transforming BRI into realities. He said these, in our many separate interviews:

Reaching a deal is hard. But it is even harder to turn the deal into reality. We work in two places. One is here, in our Almaty office. We do administrative work to make sure the money can flow in, and profit can flow out. As you can imagine, those we deal with every day are our investors, our parent company, project-site technicians, government officials, buyers [local power companies], and media. People have different interests, and it is our job to find common ground.

... Two is our project sites, such as Zhanatas. Later when you go there, you will be surprised to find out how many things we do. We do everything basically. For the several of our colleagues working on the project site since 2019, their everyday work is technical, financial, administrative, and in a sense, social... In the end, it will be 4 or 5 of us running this billion-scale [Chinese Yuan] project. Are you surprised?⁵⁸

I managed to have one interview with one of the leaders of ZWPS. XA (pseudonym) is by all means a productive businessman. He has been on the road, going to one BRI project, staying for a day, and then leaving for another one. By October 2023, XA had been the head of the

⁵⁷ KT (pseudonym), one of the leaders of ZWPS, Interviewed in Almaty, Kazakhstan, March 2024. Interviewed in Chinese, translated into English by the author.

⁵⁸ Ibid.

company that owned over 496 MW installed power generating capacity in total and managed over 663 million USD in Kazakhstan (CPID, 2021). The interview happened on the Zhanatas project site, in late May 2024. I ‘caught’ him in his office when I came back from my second Zhantas site visit. He was calm and confident, proposing that we should have a brief personal talk in his office instead of an official meeting accompanied by his assistants. Our conversation was in Chinese, I translated it into English for the sake of readers:

The core of my work, is to distribute. I distribute risks and benefits among the people I am dealing with, such as my team, my investors, local residents, local officials [in Zhanatas], and people back home [the parent company CPID]. You are an expert, so I assume that you will understand the difficult politics involved.

Especially for locals, opinions are always divided. Some people love the idea of having a wind farm generating renewable power for them, some, however, feel bothered by the device. ...One of the things we do at the same time is to send part of the money back to locals, besides tax.

Eight large-scale energy projects. Each have each’s conditions and difficulties. We have to address these by ourselves. So throughout the years, we have learned to rely on no one but ourselves. We address issues, not only diplomatically, but also practically, in both formal and informal ways, you know? ...Here, I am not complaining. I am just giving you a sense of the realities on the ground, ‘seeking truth from facts’ [in Chinese: *shi shi qiu shi*].⁵⁹

XA was not lying to me. My further archival research shows that Zhanatas has well-documented disparities, conflicts, and uprisings in Kazakhstan, making it a ‘difficult’ place as XA and KT mentioned for the large-scale green energy project (Alff, 2016; Cameron, 2018; Kaimuldinova et al., 2024). According to the Ministry of National Economy of the Republic of Kazakhstan, the Zhambyl Region, where Zhanatas is located, was the poorest state in the country in 2015, with a poverty rate of 36 per cent (World Bank Group, 2018). While over 90 per cent of youth in Astana and Almaty have received some level of higher education, less than 50 per cent have achieved education in Zhambyl and East Kazakhstan (OECD, 2017; World Bank Group, 2018). To avoid the potential social and political conflicts around the Zhanatas project, besides the impressive tax withdrawn to the local state each year, Cheng’s ZWPS contributed significantly to local infrastructure and made additional donations. In 2019, ZWPS

⁵⁹ XA (pseudonym), one of the leaders ZWPS, Interviewed in Zhanatas, Kazakhstan, May 2024. Interviewed in Chinese, translated into English by the author.

donated an urgently needed ambulance worth approximately USD 16,200 to the local public hospital. In 2020, the company invested USD 52,500 in public repairs of Linden Park and donated USD 38,600 to provide supplies and repair houses for impoverished families (CPID, 2021) .

Keeping XA's comments on the 'distribution' in mind, here, a small portion of the project's profits is 'distributed' locally—often in the form of public goods or symbolic gestures—to secure the support of local actors. This practice is not incidental but instrumental: it functions as a political technology of risk management. While such distribution may appear to reflect local benefit-sharing, it is carried out in ways that leave local communities structurally excluded from actual decision-making power, as Chapter 7 will show. Local actors are enlisted to facilitate project implementation but are not part of the project's shareholder arrangements or formal governance structure. In this sense, the nature of distribution is not inclusive but de-risking.

The effects of this mode of distribution are far-reaching. As Chapter 7 will elaborate, first, it enables the local government to restore and even enhance its public image by presenting the project as a product of its own developmental efforts, despite its limited authority over the process. Second, the distributional gestures help legitimise an otherwise intrusive and extractive intervention. By allocating partial and visible gains to selected actors, the project is able to mask its more exploitative dimensions. In this way, what is being 'distributed' is not merely profit or infrastructure, but a carefully crafted sense of legitimacy—one that rests on performative inclusion rather than substantive participation.

6.2.4 The Safeguard

Like traditional development projects, green development projects must be prepared, funded, and constructed. More importantly, they require ongoing maintenance and safeguarding. However, this safeguarding cannot be carried out by AIIB, government officials, or even SOE managers. Instead, it relies on a group of technicians who live within the project site and are directly responsible for its upkeep.

Unlike SOE managers, technicians rarely travel unless it's necessary for project work. For years, they would stay with a BRI project, hiring local workers, overseeing operations, and carrying

out regular checks and evaluations. NM (pseudonym), one of the leaders of the Zhanatas project, is a typical technician I met during my fieldwork.

NM, an experienced green energy engineer, arrived in Zhanatas as early as 2019. As part of the first group of Chinese technicians deployed on the ground, NM has witnessed every stage of the project—from design to construction and operation. By the time I visited, he had become the manager of the ‘Zhanatas Power Station,’ often referred to as the ‘Zhanatas head’. He picked me up in his truck after my four-hour drive from Shymkent airport to the power plant. NM seemed both surprised and pleased by my visit to this remote ‘wasteland’. His first words to me were, ‘We’ve been in touch, but I’m surprised you actually made it here, despite the difficulties’.⁶⁰

Throughout my visits, I stayed close to NM. It was the most effective way as I could imagine gaining first-hand insights into the project, its context, and its political and technical dimensions. Our conversations unfolded naturally, on the project site, in his office, and in his truck. Unlike the SOE managers, NM wasn’t particularly articulate, but he had a unique technique—repeating key points again and again. What he emphasised often differed from the usual assumptions surrounding the project:

People often imagine our lives down here [southern Kazakhstan] as if we had too much time. Well, we are not. We are very busy, working from 7:30 in the morning to 7:00 in the evening. More likely, we do extra work in the evening too, to make sure the project runs well...If we do not do it, who else will do it?

[In the wind farm] This regular safety check takes time. For example, we will need to spend at least 30 minutes for each turbine, and we have how many? 40 in total. Adding up, it will be more than 20 hours. And we need time to drive, to eat, to rest, and to analyse. To do one round of checks, three or four days will pass. Keep this in mind: what we do is way more than just checks. A 20-people team of Kazakh, Russian, and Chinese workers is not enough, at all.⁶¹

One day during lunch, I talked to a local worker who is a Kazakh engineer born in Zhanatas. We ate while we were talking about some technical details about the project. In a subtle way,

⁶⁰ NM (pseudonym), one of the leaders of the Zhanatas Project, Interviewed in Zhanatas Kazakhstan, first in-person meeting, May 2024. Interviewed in Chinese, translated into English by the author.

⁶¹ NM, one of the leaders of the Zhanatas Project, interviewed in Zhanatas and Almaty, Kazakhstan, separately in April (via phone), May, and June 2024.

he talked about his boss, NM, after learning that I was also interested in the ‘culture’ within the project:

He is a strict man. But he is even more strict on himself. So, I do respect him a lot. Sometimes his strictness means extra work for us. We, locals, do not do things in your [his] way. But at the end of the day, we find that his toughness and strictness are exactly what make this project successful and safe.⁶²

This sentiment speaks directly to how the Zhanatas project was implemented and operated. After witnessing the realities on the ground, one could argue that without technicians doing their job, the efforts of AIIB officials and SOE managers would be in vain. Even when it comes to the broader ideas and practices of AIIB’s green agenda, technicians are not just implementers; they are key figures in consolidating the projects. On the one hand, technicians are team leads, technical heads, and on-the-ground contacts. For many locals in Zhanatas, as Chapter 7 will show, they represent AIIB and its green ambitions in many ways (Shen & Power, 2017; Summers, 2016). On the other hand, it is impossible to think of technicians as mere instrumental players (Sud, 2014a). Different technicians bring unique qualities to different projects. They are more than engineers who simply ‘translate’ the ideas of Zhanatas into realities; they are, in fact, the ones who build the Zhanatas project on the ground.

By this point, readers should clearly see that the second research question has been addressed: AIIB does not act alone in implementing ‘green’. Instead, it operates within a network of state, quasi-state, and non-state actors, many of whom are deeply embedded in China-led or China-backed institutions. The fact that these projects are financed and monitored by AIIB—and its officials—does not diminish the significance of the other actors involved in their implementation and expansion. As the next Section will show, these actors are fragmented and decentralised, but they all in the end operationalise the project and serve China’s interests, under the umbrella of ‘AIIB’ and ‘green’.

6.3 Behind the Wind Farm

After explaining ‘how’—a short history of the Zhanatas project and a process in which a

⁶² Kazakh technician, educated in China, interviewed in Zhanatas, Kazakhstan, June 2024. Interviewed in Chinese, translated into English by the author.

network of state, quasi-state, and non-state actors implements projects—I now turn to the ‘so what’—what we can learn from the empirical data. This Section answers two questions. First, what do these actors want from the Zhanatas project? Second, what links them together?

First, I demonstrate that although the actors involved share the overarching goal of constructing a wind farm, they operate within a fragmented and decentralised system, each advancing their own institutional identities, agendas, and interests. Yet, they eventually serve the interests of AIIB.

Second, I argue that AIIB plays a key role in connecting these actors together. It is able to do so, because it has a unique ‘green’ label. Through this analysis, I also consider the broader implications—what these on-the-ground dynamics reveal about the larger structures, particularly AIIB and China’s BRI.

In this Section, I argue that even on the ground, AIIB should be understood both as a ‘Chinese’ bank and a ‘multilateral’ and ‘developmental’ institution. In Zhanatas, the implementation of its green agenda is, too, translated and adjusted by ‘Chinese influence’ and ultimately serves China’s strategic interests. The bank’s ‘green’ terminology, presented as apolitical, technical, and objective, functions as a strategic term that can potentially obscure the underlying geopolitical intentions and interests of both AIIB and its founding state, China.

6.3.1 Who Wants What

Politicians seek power as a means of control or career advancement. In the case of the Zhanatas project, high-level officials pursue power by emphasising their performance and demonstrating their governance capacity. They do so by identifying opportunities, securing investment, and positioning themselves as key figures in economic and social development. This practice of self-labelling and self-promotion is not unique to the Zhanatas project, but it provides valuable insight into the nature of ministerial interests—both in this project and within the broader CKPCC framework.

In an interview with local media, Chinese Ambassador to Kazakhstan Zhang Xiao described China-Kazakhstan energy production capacity cooperation as ‘a global model for successful collaboration’. He emphasised that this partnership ‘meets the development needs of both

countries through an early start, a solid foundation, and well-established mechanisms’ (China Daily, 2024). Using the example of the Zhanatas project, Zhang said, more progressively:

The new energy industry has advanced production capacity with immense development potential. China is willing to work with Kazakhstan to seize the historical opportunity of the rapid development of the global new energy industry, continuing constructive cooperation in policies, standards and investments, and thereby promoting domestic industrial upgrades and economic development in both countries (China Daily, 2024).

Erlan Kalin, State Counselor of Kazakhstan, echoed the significance of the Zhanatas project in a congratulatory letter to the *Global Conference on the 10th Anniversary of the BRI and the Golden Age of China-Central Asia Engagement*. Kalin underscored ‘Kazakhstan’s unique role in the construction of the BRI’, highlighting its involvement in a network that has expanded to over 150 countries and 30 international organisations over the past decade (China Daily, 2023).

Notably, Ambassador Zhang’s and Erlan Kalin’s remarks reflect the broader interests of ministerial engagement in large-scale initiatives like the Zhanatas project. First, their emphasis on Kazakhstan’s role in the BRI and its long-standing cooperation with China serves not only as a diplomatic endorsement but also as a strategic narrative that legitimises the involvement of political figures in shaping economic partnerships. For instance, by highlighting the expansion of the BRI to over 150 countries and 30 international organisations, Kalin’s statement amplifies the perceived success and legitimacy of Kazakhstan’s participation.

Second, both Zhang and Kalin frame economic cooperation as a ‘historic opportunity’, placing high-level officials and state actors as facilitators of industrial transformation and regional integration. This rhetoric, whether in media interviews or official statements, eventually serves as a political performance—one that enhances the credibility of high-level officials. For AIIB officials, interests are built on their reputation and credit rating. This is especially true for AIIB, an MDB that has a goal to build ‘green infrastructure with sustainability, innovation and connectivity at its core’ (AIIB, 2024h). In the Zhanatas project, AIIB and its multilateral development partners have a particular focus on the environmental and social impacts of the power plant. At an initial check, AIIB identified the Zhanatas as in Category B (‘middle risk’) given that ‘the number of potentially adverse environmental and social impacts are limited, not unprecedented or irreversible, and can be successfully managed using good practice in an

operational setting’ (AIIB, 2024g). Even so, ZWPS was asked to supervise the implementation of all AIIB’s environmental and social management and mitigation measures. AIIB states:

...The Company will supervise the implementation of all E&S [environmental and social] management and mitigation measure and report annually to AIIB on its progress in implementing the ESMP and its E&S performance. Semi-annual bird surveys during the Spring and Autumn migratory periods will be required to be conducted by specialist ornithologists, and all bird strikes will need to be recorded. AIIB will also conduct an annual E&S supervision mission (AIIB, 2024g).

Figure 6.2 MDB’s Financial Model (Simplified)



Sources: Figure made by the author.

AIIB’s unique interest in the project’s environmental and social impacts has its roots in the bank’s financial model. Even though AIIB is frequently argued to be one of China’s instruments for its influence in development finance, AIIB follows a typical MDB financial model. In practice, MDBs operate in a self-financing way—they borrow most of their money from the global private markets and then lend it to their clients—normally sovereign states—for various development projects (Humphrey, 2016, 2019; Woods, 2006). To run in an accountable and sustainable way within the market, they must respond to not only the financial but also the environmental and social concerns of their investors. As a result, AIIB officials in the Zhanatas project care about ‘not only how profitable the investment is but also in what ways the money will be used’.⁶³

SOE managers, however, have stronger interests in profit. To put it short, Kazakhstan used to

⁶³ AIIB officials, including two middle-level AIIB officials, Interviewed in Beijing, China, October and November 2023.

reply on feed-in tariffs (FiTs) to support green energy. However, since 2018, the country has transitioned to using the sort of ‘auction mechanisms’ to establish tariffs for green energy projects. The auction-based power purchase agreements (PPAs), however, facilitate the sale of generated power to a designated centralised local buyer of green energy.⁶⁴ For instance, between 2018 and 2021, Kazakhstan conducted auctions to allocate over 1,700 MW of green energy capacity among the several monopolistic energy companies (IEA, 2024). In our case, the Kazakh Visor Investments, shown in Figure 1, was such a domestic company that first ‘bought in’ the quota of the Zhanatas project in the auction and then ‘sold’ it to the Chinese ZWPS and its parent CPID.⁶⁵

It then becomes clear why SOE managers like Ming prioritise ‘making sure the money flows in, and the profit flows out’.⁶⁶ In the Zhanatas project, for example, SOE managers bought the quota from Visor Investments to secure the ‘right to work’ in southern Kazakhstan. Their next step was to borrow funds from high-standard AIIB officials to finance the construction and operation of the project. Once this was achieved, their focus shifted to putting the project into production. The faster they could generate profit, the quicker they could pay off debts and move on to the next large-scale venture—it was under this pressure that ZWPS successfully managed to operate eight large-scale BRI projects in Kazakhstan.

Almost by definition, technicians’ primary concern is the safety of the project. Between 2018 and 2019, the Zhanatas project was designed to deliver 100 MW, making it the largest wind farm in Central Asia at the time (AIIB, 2019c). Once operational, it was expected to reduce carbon dioxide emissions by nearly 300,000 tons annually and provide green electricity to 1 million households in Kazakhstan (Xinhua, 2021a). Beyond its industrial impact, the project became a symbol. In 2013, Kazakhstan launched its ‘Concept for Transition to a Green Economy’, aiming to increase renewable energy’s share to 3% by 2020, 10% by 2030, and 50% by 2050 (World Bank Group, 2018). This aligns with Kazakhstan’s Nationally Determined Contributions (NDC) under the Paris Agreement, which commits to reducing greenhouse gas emissions by 15% (unconditional) and 25% (conditional) by 2030, relative to 1990 levels

⁶⁴ According to interviews with the one of the leaders of ZWPS, only Kazakhstani companies can obtain the necessary ‘certificates’ to join PPAs.

⁶⁵ Interviews with KT (one of the leaders of ZWPS) revealed that Visor Investments sold the quota in exchange of 1) cash, 2) 20% share of the ZWPS.

⁶⁶ Interview with KT (one of the leaders of ZWPS).

(China Daily, 2024). As China's first BRI energy project in Kazakhstan, Zhanatas attracted significant political and social attention. A pastoralist farmer I met outside the project site, told me one day that in his opinion, 'the Zhanatas project appears as an isolated oasis in southern Kazakhstan'.⁶⁷

Technicians don't engage directly with AIIB officials, nor do they oversee companies managing USD 663 million in Kazakhstan. Instead, they are employed by SOE managers (and their parent companies) to ensure the project is built and operated efficiently, safely, and on schedule—which is also the only thing they can offer on the table. This explains why technicians define their priorities differently, even under AIIB officials' 'green agenda' and the SOE managers' 'profit-maximising push'. This is also why Ke, even when no one is there to supervise him, would 'do extra work in the evening, to make sure the project runs well'.⁶⁸

6.3.2 Zhanatas, AIIB, and China's BRI

I concluded my final visit to the Zhanatas project in early June 2024 and returned to the cities of Shymkent and Almaty in southern Kazakhstan. As I reflected on the diverse personalities, perceptions, and preferences of the various actors underneath AIIB's green agenda, I realised that simply recognising their varied interests is not enough. This prompted me to take the inquiry a step further: what do they tell us about AIIB and its green agenda? And more critically, what links them together?

Constructing and operating large-scale energy projects in foreign countries is inherently challenging (Chan & Pun, 2020; O'Neill, 2014; Shen & Power, 2017). Even with central government diplomatic efforts and intergovernmental agreements in place, local dynamics can significantly influence project outcomes (Chan & Pun, 2020; Tjia, 2022). In practice, green energy projects are not simply 'out there' waiting to be implemented. They must be continuously negotiated—between officials, contractors, communities, and other stakeholders—a constant back-and-forth. Also, successful projects depend on the effective and efficient flow of money, power, information, rules, norms, and, crucially, the individuals who ensure that flow. As NM, XA, and several other interviewees revealed, without the presence of people and agencies skilled in 'distributing risks and benefits' or willing to 'do the extra work'

⁶⁷ Pastoralist farmer, interviews outside the Zhanatas Wind Farm, Kazakhstan, June 2024.

⁶⁸ Last interview with NM, one of the leaders of Zhanatas Project, in Zhanatas, June 2024.

even when not supervised, AIIB's Zhanatas project would struggle to take shape on the ground.⁶⁹

It is therefore fair to say that in Zhanatas, various actors, alongside AIIB itself, shape the implementation of the bank's evolving green agenda. Even when these actors have different, and at times conflicting, interests, they still contribute to consolidating AIIB's green agenda on the ground. Rather than pulling AIIB's green investments and policies in divergent directions, they add their own elements to the process and, in doing so, enact what appears—locally—as AIIB's green strategy. While this may differ from how the green agenda is articulated in AIIB's offices in Beijing, it is no less strategic or consequential. In places like Zhanatas of Kazakhstan, where wind power projects are implemented, this grounded form of 'green development' defines how AIIB and its backers are understood by recipients. It is not a deviation from the institution's strategy but its real, embodied expression—shaped through implementation, interaction, and negotiation on the ground.

The empirical data presented in this Chapter then provide deeper insights into AIIB's evolving green agenda. In Chapters 4 and 5, I demonstrated that at the institutional level, AIIB should be understood both as a 'Chinese' bank and a 'multilateral' and 'developmental' institution. Moreover, AIIB's turn to 'green' has been strategic and calculated, rather than incidental. Here, a similar conclusion emerges from this Chapter. Even at the project level—far from Beijing, in Zhanatas, and within specific green projects—the implementation of AIIB's green agenda remains largely translated and adjusted by China-related actors on the ground and ultimately serves China's strategic interests.

The key question that follows is: what connects these actors? Is there a centralised Chinese state apparatus that orchestrates their collaboration with AIIB, or is there another underlying mechanism at play?

The literature on China's BRI offers theoretical insights for answering this question. Since 2013, China's BRI has been interpreted largely as a somewhat centralised, coherent, and consistent 'grand strategy' with geopolitical intentions (Bhattacharya, 2016; Goldstein, 2020; Leverett &

⁶⁹ Interview with KT, one of the leaders of ZWPS; Interview with NM, one of the leaders of the project. Also, two AIIB officials, interviewed in Beijing, China, September and December 2023.

Bingbing, 2017). For many, directed and conducted in a top-down way, BRI is not merely a vast collection of infrastructure and development investments, but an ‘umbrella’ that covers China’s increasing leverage on BRI countries (Krpec & Wise, 2022; O’Neill, 2014; Peyrouse, 2016; Power et al., 2016; Su, 2012). Some Chinese scholars and officials, too, translate BRI as a ‘harmonious strategy’ that represents the central state’s strategic thoughts, likely to restore China’s ‘great power’ in Eurasia and beyond (Wang, 2016; Zhang, 2012).

This state-centric view is recently challenged by the emerging BRI studies. For Jones and co-authors, the reasons why BRI is unlikely to be a well-thought-out grand strategy lie within China’s state transformation in the past three decades (Hameiri & Jones, 2016; Jones & Zeng, 2019). The pro-market reform (which is also known as ‘reform and open up’) has since put China’s state in a process of fragmentation, decentralisation, and internationalisation (Landry, 2008; Mertha, 2009).⁷⁰ As a result, foreign policy, including the BRI, is better understood as a product of multi-level, multi-actor bargaining rather than top-down decisions (Ye, 2021). Underneath the state, actors may ‘influence, interpret, or even ignore’ central guidelines (Jones & Zeng, 2019). Empirical case studies also suggest that the political and economic dynamics at the local and national level are keys to explaining China’s growing influence in the Global South (Heberer & Schubert, 2012; S. Hess & Aidoo, 2016; Lauria, 2023; Su, 2012). Chan and Pun, for instance, use the China-backed Letpadaung Copper Mine in Myanmar to reveal how social resistance to foreign development projects can reshape international outcomes (Chan & Pun, 2020).

This grounded state view was evident in the Zhanatas project. The actors I came across in the fieldwork—high-level officials, AIIB officials, SOE managers, and technicians—did not promote this high-profile BRI project because they were explicitly required, compelled, or incentivised by a coherent state policy. Instead, they did so in pursuit of their own independent institutional interests. From my fieldwork, it seems more likely that these actors are leveraging China’s overarching BRI framework (more specifically, the CKPCC framework) and the influence of AIIB to expand their own positions within their sectors or regions (Jones & Zeng, 2019; Shen & Power, 2017). For example, officials at the newly established AIIB, the Zhanatas

⁷⁰ China’s Reform and Opening Up, initiated in 1978 under Deng Xiaoping, marked a shift from a centrally planned economy to a more market-oriented one. This fundamental shift led to rapid economic growth and transformed China into the world’s second-largest economy. It also fostered greater integration with the global economy and a more transparent foreign policy.

project offered an opportunity to showcase their growing ambitions and capacity in climate finance (AIIB, 2024f). Meanwhile, for the SOE managers, the project represented a critical step toward establishing a reliable business profile within Kazakhstan’s green energy sector for the following seven profit-making projects.

The evidence demonstrates that AIIB itself—rather than merely serving as a pure financier—actively functions as a bridging mechanism that connects state, non-state, and quasi-state actors across scales, especially when we are looking at a specific project. Unlike traditional bilateral institutions or Chinese SOEs operating abroad, AIIB brings together a diverse coalition of actors by emphasising ‘multilateralism’ and ‘development’. Through its institutional architecture and project-based operations, the bank facilitates interactions among Chinese policy banks, SOEs, foreign investors, host country governments, and international consultants. These actors, who might otherwise operate in distinct institutional or geopolitical silos, find common ground through their association with AIIB. The fast-growing bank thus plays a central role in coordinating actors at both the level of high-level investment negotiations and on-the-ground implementation, as seen in the Zhanatas project.

Crucially, it is also AIIB’s evolving green agenda that enables this convergence. Seen as apolitical, technical, and objective, the bank’s commitment to ‘green development’ provides a discursive and operational umbrella that shields participating actors from political scrutiny or geopolitical suspicion. By engaging through the language of ‘climate finance’ and ‘green energy transition’, actors aligned with or serving Chinese interests can distance themselves from more overtly strategic agendas such as the BRI. In this context, AIIB’s green projects legitimise the involvement of Chinese SOEs, financiers like ICBC, and local governments by reframing their roles as part of a shared global commitment to environmental goals. These actors are thus repositioned: no longer seen as pursuing narrowly defined institutional or national objectives, they now appear as contributors to the global ‘energy transition’ and the ‘Paris-aligned development agenda’.⁷¹

The case of AIIB’s involvement in Zhanatas offers valuable insights for the literature. Within the MDB scholarship on AIIB, this Chapter provides empirical substantiation—for the first

⁷¹ Interview, I, official, AIIB HQ, Beijing, 20 October 2023. Also, interview, E, one of the leaders of AIIB, Beijing, 15 November 2023.

time—of the argument that AIIB operates in service of China’s strategic interests, not only in abstract terms from Beijing but also through its expanding portfolio of green development projects. More significantly, for the literature on BRI, my findings reveal how China’s grand strategy is enacted through a decentralised and fragmented network of actors on the ground, including AIIB officials, SOE managers, and technicians, echoing the arguments of Jones and others.

However, the Zhanatas wind power project should be understood not as a ‘representative’ case of all AIIB green investments, but as an analytically revealing site through which the operational dynamics of the bank’s green agenda can be examined in depth. As a single, project-level case, Zhanatas does not capture the full diversity of AIIB’s portfolio across sectors and regions, taking into account that the bank is also having an expanding investment portfolio in Europe, Africa, and Latin America. Its value lies instead in making visible the concrete processes through which ‘green development’ is translated from institutional commitments into practices on the ground, including who is doing the translation, how responsibilities are allocated, and how competing interests are reconciled during implementation (George & Bennett, 2005).

By tracing these processes closely, the Chapter highlights mechanisms that are otherwise difficult to observe at a more aggregated level. The interactions among AIIB officials, SOE managers, local authorities, and technical actors in Zhanatas illuminate how the bank’s green agenda is translated and adjusted in practice, and how China’s influence is exercised through decentralised, project-based arrangements rather than direct state coordination. While these dynamics are empirically grounded in the Zhanatas case, they offer broader analytical insight into how China-backed MDBs enact ‘green’ strategies through fragmented networks of actors across scales, as Chapter 9 will discuss.

6.4 Conclusion

Building on my fieldwork in both Kazakhstan and China, this Chapter explores how AIIB’s green agenda moves from conceptualisation to implementation. Section 6.1 traces the trajectory of the Zhanatas project, detailing its evolution from inception to full operation. Section 6.2 delves deeper into the mechanisms of project execution, examining the interplay between AIIB and a network of state, quasi-state, and non-state actors. It introduces these stakeholders,

outlines their functions, and tracks how their involvement has shifted over time. Section 6.3 then shifts focus to the broader significance of these dynamics. While all actors work within a decentralised and fragmented structure, each advancing their own institutional priorities, they all eventually contribute to the overarching objective of ‘developing a wind farm’. This Section also investigates how these actors come around a specific green project and, ultimately, a ‘green’ label, revealing the deeper empirical and theoretical implications, particularly in relation to AIIB and China’s BRI.

The discussion in this Chapter moves us towards addressing the second research question—at least its first half—how AIIB implements its green agenda on the ground.

The short answer is: it does so with many others. More specifically, based on the evidence, I argue in this Chapter that, far from being an autonomous, coherent, and consistent work, AIIB’s investment in ‘green’ is deeply entangled with a constellation of state, quasi-state, and non-state institutions and individuals. While they have their own interests, they should all be seen as a part of China’s influence on a global and regional scale. More critically, I would like to point out that, even when their interests diverge, or even conflict, their actions contribute to consolidating AIIB’s green agenda and China’s BRI on the ground, as Section 6.3 shows.

I would go further to suggest that it is AIIB that effectively connects the diverse actors involved in the project. In contrast to Chinese SOEs such as ZWPS, or profit-oriented financiers like ICBC, AIIB occupies a distinct position by presenting itself as a ‘professional’, ‘multilateral’, and crucially, ‘non-Chinese’ development institution. This positioning enables the bank to function as an almost ideal intermediary, capable of linking actors both at the top—in the realm of investment agreements—and at the bottom—in project implementation on the ground in Zhanatas. More significantly, it is the bank’s ‘green’ agenda, rather than the more politically sensitive label of ‘infrastructure’, that provides a depoliticised, technical, and seemingly objective framework for engagement. This framing offers a discursive shield that protects the bank (and its backer, China) from scrutiny or critique concerning its institutional alignment or geopolitical role. Together with my arguments in Chapter 4, the outcome is clear: AIIB advances China’s strategic interests.

The findings presented in this Chapter contribute to the existing literature in three key ways, linking back to the broader academic debates discussed in Chapter 2.

First, this Chapter extends scholarship on AIIB by providing the first in-depth evidence of how the bank implements its green agenda in practice. As Chapter 2 shows, the existing studies on AIIB's green dimension have largely focused on institutional-level analyses, leaving a significant gap in understanding how AIIB's green policies translate into project-level actions. By tracing the Zhanatas project from inception to implementation, this Chapter demonstrates how AIIB's green investments materialise on the ground, bridging the gap between policy rhetoric and operational reality.

Second, my research substantiates the argument that AIIB operates in service of China's strategic interests. As discussed in Chapters 4 and 5, the bank aligns itself with global climate standards while serving China's interests at the institutional level. However, this Chapter demonstrates that even on the ground, at the project level, AIIB's green agenda is not just an adaptation to international norms but also a mechanism for advancing China's broader geopolitical and economic strategies. Echoing insights from AIIB studies (Humphrey, 2020; Chin, 2016), this Chapter highlights how AIIB's lending practices and project implementation reinforce China's influence while maintaining an image of technical and apolitical.

Third, within the literature on the BRI, my findings illustrate how China's grand strategy is enacted through a decentralised and fragmented network of actors, rather than a rigid, top-down approach (Jones & Zou, 2017; Ye, 2021). The case of AIIB's Zhanatas wind farm illustrates how China's BRI investments unfold through networks of AIIB officials, SOE managers, and local technicians, each pursuing their own institutional interests while collectively contributing to China's broader strategic objectives. This finding aligns with and further develops arguments made by Jones et al. (2020) regarding the decentralised and adaptive nature of BRI implementation.

Taken together, the analysis in this Chapter does not claim to generalise from the Zhanatas project to all AIIB operations or green development initiatives. Instead, it demonstrates how a China-backed MDB's green agenda is enacted through project-level practices, actor interactions, and institutional mediation on the ground. These insights provide a grounded basis for the broader arguments developed in the subsequent Chapters on AIIB, China, and the politics of MDBs.

Chapter 7 The On-the-ground Effects of a Green Project

Not all green projects make it to the implementation stage. In Chapter 6, I analyse the life cycle of the Zhanatas project to illustrate its complex journey from a conceptual vision—‘building a wind farm’—to its realisation. This process involved extensive collaboration among diverse institutions, including AIIB, Chinese/Kazakhstani ministries, local authorities, NGOs, and experts. Given this complexity, one may naturally ask: What does this project actually accomplish? How does it work, and critically, for whom?

While Chapter 6 addresses the first part of my second research question—how AIIB implements its green agenda, Chapter 7 examines the second part—what on-the-ground effects AIIB’s green agenda might produce. Here, by ‘on-the-ground’, I refer to the direct experiences and changes occurring locally in Zhanatas, where the wind farm is constructed and operated. I discuss two types of effects: first, the immediate effects (or impacts/outcomes) of the project, and second, the long-term consequences, which Ferguson (1990) refers to as ‘instrumental effects’.⁷² While the immediate effects are largely ecological, social, and economic, the consequences carry significant political and geopolitical implications.

Drawing on my fieldwork in Zhanatas, Kazakhstan, I argue that AIIB’s green agenda generates both effects and significant long-term consequences. The latter, often overlooked by AIIB, are, in my view, even more critical. In Zhanatas, while wind energy is captured, transformed, and capitalised as a renewable resource, the local population and non-human life remain socioeconomically marginalised and ecologically vulnerable. These findings challenge the dominant green discourse promoted by AIIB. Moreover, ‘green’ can depoliticise highly political issues embedded in AIIB’s projects. The green framing of projects like this can shape what questions are being asked and what questions are being sidelined in practice. This means that while the way of energy production is changing, the unequal dynamics of resource

* Part of this Chapter has been published in *Development and Change*. See Zeng, W. (2025). Green Energy and State Power: The Case of Zhanatas Wind Power Project in Kazakhstan. *Development and Change*, 56(3), 510-538.

⁷² As explained in Chapter 2, Ferguson’s (1990) concept of ‘instrumental effects’ refers to the often unintended, indirect, and long-term consequences of development interventions designed by international development agencies such as the World Bank. For him, ‘instrumental effects’ go beyond project effects and serve to expand state power and entrench existing structures of control (from the state).

exchange persist in AIIB's green investments.

My critique thus contributes to the third research question—examining the extent to which and the ways in which 'green' can depoliticise AIIB's expansion. The critique should also explain what 'green shopping as power shopping' looks like on the ground.

Section 7.1 provides the necessary background and overview to contextualise the Zhanatas project. It highlights how political authorities have historically sought influence in this remote town, with AIIB being no exception despite its 'green' claims. Section 7.2 then details the observable on-the-ground effects of the project. It demonstrates that while the concept of harnessing wind energy appears abstract, its practical implementation generates concrete socio-ecological consequences. Building upon these visible impacts, Section 7.3 explores the less immediately apparent but critically important long-term consequences of the project. Finally, Section 7.4 synthesises the analysis by directly responding to my second and third research questions and restating my central arguments. I position the Zhanatas project within the broader spectrum of outcomes produced by AIIB's emerging green agenda and articulate how my findings contribute to ongoing scholarly debates on green energy and the politics of development.

7.1 Capturing Wind in Zhanatas

In Chapter 2, my review of critical development literature underscores the importance of examining not only the direct effects but also the long-term consequences of development projects funded by MDBs. However, understanding these two types of effects relies on a thorough account of the local context.

In addition to the brief introduction to context and methods provided in the overview, this Section elaborates on the history of resource extraction and the recent effort to capture wind energy in Zhanatas. Together, these discussions equip readers with a deeper contextual understanding, so that they can enter the second field—one that is far away from AIIB's modern headquarter—with more comprehensive information.

Like many other places in the Global South, the development of Zhanatas is embedded deeply in the colonial and extractive history of the region. The geographical unit of Kazakhstan traces

its roots back to the Palaeolithic era. In the 18th century, the Russian Empire started to expand into Central Asia and incorporated what was known as Kazakh Khanate into its territory. From 1936 to 1991, the Kazakh Soviet Socialist Republic (Kazakh SSR) was one of the Soviet Union's (USSR) constituent republics (Cameron, 2018; Sinor, 1990). As clearly documented, the actual Zhanatas settlement came into being in November 1963, when the USSR decided to develop phosphate industries in Southern Kazakhstan for the needs of the centre (which was arguably the European part of the USSR, or more narrowly, Moscow). Approximately one year later, the first residential infrastructure was constructed in what we see today the Zhanatas town (Alff, 2016; OpenDemocracy, 2021). For decades, Zhanatas had been receiving subsidies and investments from Moscow and people had flooded into the town for extractive activities. However, all these stopped when the USSR collapsed. Since the 1990s, the majority of the population has left the town, while those who stay are still struggling with poverty, health issues, and poor infrastructure.

However, what may come as a surprise to many, is how Zhanatas used to suffer from wind. Wind, as a natural phenomenon, has been providing power for sailing, aviation, communication, and agricultural production since ancient times. Besides being a physical property, wind has also been filled with many changing social and political meanings in human history. While some see it as a symbol of power and influence, others might take it as change and upheaval. Almost ironically, what was embraced elsewhere as blessings ended up in Zhanatas as a curse.

In Zhanatas, storm-level winds with speeds of over 40 m/s have frequently brought severe consequences to the town (EcoSocio Analysts LLC, 2019; kaztag.kz, 2024). In 2013, a 60-m pipe of the central boiler house collapsed due to a disaster-level storm. Research also shows that in 2015, 2021, and 2023, the hurricane had the record of 'tearing off buildings, and damaging communication stations and power lines' (Kaimuldinova et al., 2024).

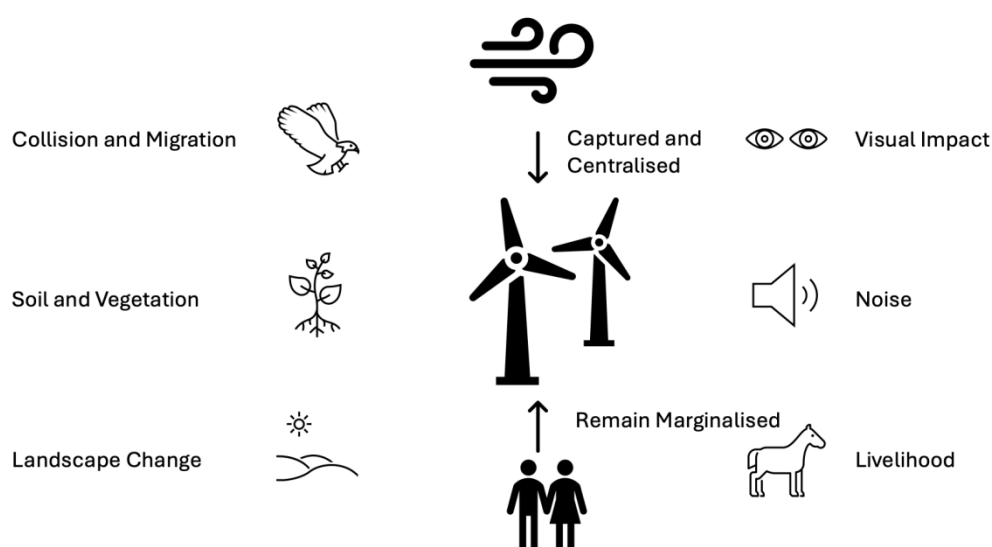
This perception of destructive wind changed in 2019, with the construction of the Zhanatas Wind Power Plant. The ultimate goal behind the project, according to the investors, was to deliver 'clean electricity generation of approximately 319 GWh per annum and contribute to the renewable energy development in Kazakhstan' (AIIB). Meanwhile, it will also 'greatly alleviate the power shortage in southern Kazakhstan' (AIIB, 2019dc CPID, 2021). In Zhanatas, wind, once regarded as a curse, is now viewed as a blessing.

7.2 The Effects of a Green Project

While the idea of capturing the wind is highly abstract, the effects of wind-capturing practices and value-extracting processes are visible on the ground (Figure 6.4). Within and around the Zhanatas project, human and non-human actors, as well as the land itself, remain marginalised and vulnerable, while the wind resource alone has been elevated to a central position in the production system. This dynamic is particularly noteworthy given that the nomadic communities in Zhanatas have traditionally intertwined their identities and livelihoods with the wind, land, and landscape.

My observations, then, speak directly to the second half of my second research question: what on-the-ground effects AIIB's green agenda might produce.

Figure 7.1 The Many On-the-ground Effects of Zhanatas Project



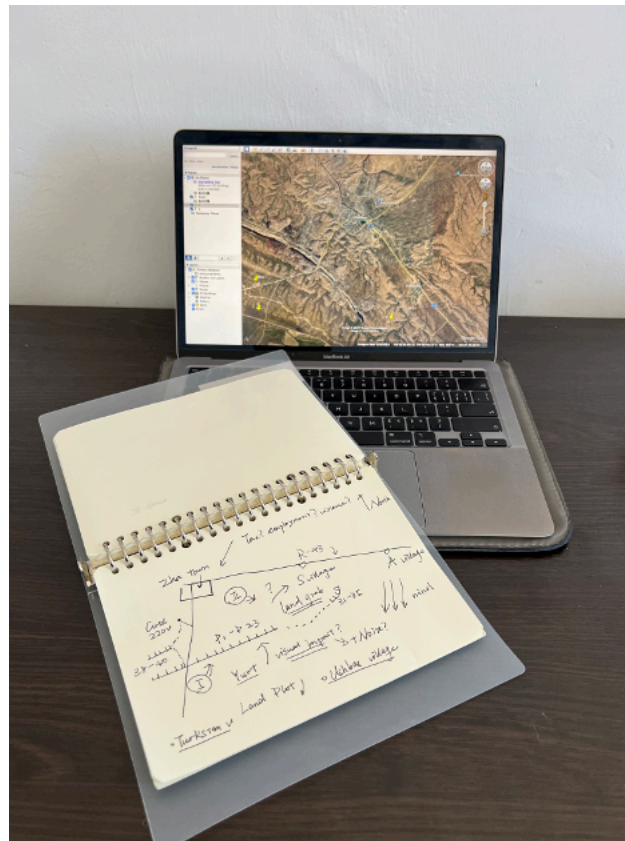
Sources: Figure made by the author.

7.2.1 People

Investors, constructors, operators, and facilitators frequently characterise the land surrounding Zhanatas town as a 'wasteland', 'empty grassland', or 'no man's place' (EcoSocio Analysts LLC, 2019; Xinhua, 2021a). However, this perspective is misleading and, in a sense, highly metropolitan. Approximately 10 kilometres east of Zhanatas town lies the Zhanaaryk Village,

where I conducted several in-depth interviews. Further south are the Ushbas Village and the Turkestan Village, which together have a population exceeding 400 and thousands of livestock. Additionally, two major agricultural farms rented and operated by the local Pastoralist farmers, namely Zharasbek Farm and Ganiez Farm, utilise the wind farm area for everyday pasturing activities.

Figure 7.2 Initial Fieldnote on Zhanatas



Sources: Figure made by the author.

Unlike other types of energy production projects, wind farms possess a ‘floating’ nature (Hashimshony Yaffe & Segal-Klein, 2023; Skalamera, 2020; S. Wang & Wang, 2015). This means that they generate green energy while occupying only a limited amount of land. In places with low population density, this characteristic often makes it easier for political authorities to appropriate land for production without undergoing long processes of compensating landowners.

Since the collapse of collective farms during the Soviet era, locals have rented land from the state at low prices for pasturing, as land in Kazakhstan is state-owned (Cameron, 2018; EcoSocio Analysts LLC, 2019). According to publicly available data, seven farmers affected

by land acquisition signed agreements with the local district council to relinquish ‘small parts of’ the state-leased land without economic compensation. NM, the Chinese manager (on-site head) of the Zhanatas project, shared his perspective on the distinctive feature of the wind project:

Compared with other energy projects, such as coal projects, or even solar projects, one of our leverages is that we don’t take much land. What we take are ‘points’ of land. Points, not areas. And not from the locals directly, but from the state. Plus, there is no such sense that ‘we take something away’ from the land. Indeed, we take wind, but the wind is invisible. What would you do with it otherwise?⁷³

Notably, NM’s view is further backed by the project’s evaluating documents. AIIB’s Zhanatas Wind Power Plant Environmental and Social Analysis believes that ‘the impact on the tenants of the land, small parts of which have been acquired for the wind farm components is thought to be low (EcoSocio Analysts LLC, 2019). Regarding other impacts on the local pastoralists, the report also states that ‘visual impact on the Peishbek farm is considered to be low and on the others, as insignificant’ (EcoSocio Analysts LLC, 2019). These assumptions, however, are strongly challenged by the everyday experiences of several nomads I met within and around the large-scale project. KB, a middle-aged local Kazakh, whom I met within the wind farm while he was grazing his sheep and horses, expressed a more nuanced view:

Of course, these changes are fine—if you only stay here for an afternoon, or, three days maximum? Come closer and stay for a while, you’ll get tired of these columns [turbines]. Not to mention the sound. It is annoying... Rumour has it in my village that these columns are not good for human health if you think about their long-term consequences. I do not know, perhaps.⁷⁴

Standing outside the wind farm, one will see more than 30 150-meter-tall turbines with 50-meter-long blades working on the steppe. Each turbine is planted around 500 meters away from each other in 5 segments. Even at the edge of Zhanatas town, which is 10 km away from the actual wind farm site, I managed to see the tips of several working turbines. Besides the outstanding visual impacts, the noise appears to be the other factor. Among 19 of my interviewees who are affected by the project, almost all of them have expressed concern over

⁷³ Interview, CC, Pastoralist farmer, Zhanatas Wind Farm, 13 May 2024.

⁷⁴ Interview, KB, Pastoralist farmer, Zhanatas Wind Farm, 1 June 2024.

the constant noise caused by the construction and operation of the Zhanatas project.

Another dimension of people affected by the project is ‘people as a community’. Currently, Zhanatas town has approximately 20,000 residents, less than half its population in the 1980s. Despite this reduction, the town continues to struggle with insufficient employment opportunities. The remaining two factories—a Kazakh phosphate factory and a Russian-operated chemical factory—employ around 2,000 people, while others work in local service industries or remain unemployed (OpenDemocracy, 2021; Zhambyl Region Government, 2024). In 2018–2019, when the regional government announced plans to build the largest wind farm in Central Asia, the community experienced a mix of emotions. On one hand, residents hoped that the new ‘green factory’ would create jobs and opportunities, improving their challenging living conditions.⁷⁵ On the other hand, they were apprehensive about engaging with Chinese companies for the first time and were deeply concerned about the potential environmental and political impacts of the project.

It was not until 2020 that the residents of Zhanatas town realised the project would not provide as many opportunities as they had initially imagined. Apart from the three Chinese technicians working on the project, the wind farm employs around 20 individuals, of whom approximately 10 are from Zhanatas. This stark disparity between developmental expectations and the harsh realities soon led to physical and cultural conflicts (Lomax et al., 2023). During the construction phase and early operations of the project, several groups of locals arrived at the site armed, demanding that ‘external employees’ need to be replaced with ‘local Kazakhs’.⁷⁶ Following rounds of conflicts and negotiations, the project’s operator, ZWPS, agreed to hire ‘as many locals as possible’. NS, an employee at the project, reflected on the situation:

I understand how hard it was for both sides. For Y Company, it is a profit-making firm with strict security requirements. There is no way that it hires people it doesn’t necessarily need. For the workers and pastoralists, their disappointments and fights are also understandable. I mean, if you consider how much they have been ripped off by people who entered the town in the past century. Or, past centuries, if I may remind you.⁷⁷

⁷⁵ Interview, LJ, DR, OM, three project technicians, Zhanatas Wind Farm, Focus Group, 17 May 2024.

⁷⁶ Interviews with NM (one of the leaders of Zhanatas Project) from March to June 2024. First in-person in Almaty and Zhanatas, then online through the phone.

⁷⁷ Interview, NS, a project technician, Zhanatas Wind Farm, 18 May 2024.

This sentiment underscores the recurring clashes between two distinct economic systems: pastoralist economies and state-led modern economies. For the pastoralist population, Zhanatas has long served as a home where they develop their livelihoods and build social networks. The state, however, views Zhanatas differently. The state often perceives local pastoralists as elusive due to their mobility, communal land use, and resistance to formal systems of control, such as taxation or property ownership (Chatty, 2010; Scoones, 2023; Maru et al., 2022; Kapila, 2008). In addition, as discussed in the previous Section, the state has struggled to establish its authority in pastoralist regions since the 1960s. Observations suggest that this invisible conflict has persisted, even as wind—a resource now appropriated under the framework of modernisation—gains economic value.

These findings directly engage with the critical development (second strand) literature on the effects of MDB-funded projects, highlighting that MDBs can produce and implement their ‘development’ agenda without fully implementing the rights of local people (Andreucci et al., 2023; Hashimshony Yaffe & Segal-Klein, 2023). One might even argue that, so far, the situation in Zhanatas presents how AIIB-funded green development projects can even exacerbate existing inequalities and tensions, rather than resolving them, by failing to fairly distribute the benefits of green energy. Here, people are both individuals, who can see and feel the most direct impacts of green energy; and communities, who share a common history of oppression and deprivation (Alff, 2016; Khamitov et al., 2023).

7.2.2 Land

Alongside wind, land plays a vital role in the project deal in Zhanatas. Unlike wind, which is invisible and deemed ‘useless otherwise’, as CC remarked, land in green energy projects is more tangible and concrete. Even in Zhanatas, land is primarily understood as a physical property with economic value. For the local state, land represents one of the few levers it can offer when attracting foreign investors.

Viewing land as, first of all, a physical property, my findings in Zhanatas echo the literature on global land deals, which has revealed how dominant powers and private capital often downplay the value of land to facilitate profit-driven production (Andreucci et al., 2023; Hashimshony Yaffe & Segal-Klein, 2023; Sud, 2020). The existing and historically marginalised status of nomadic populations in Zhanatas has enabled authorities to manage land more conveniently.

First, no official ownership over the land has been claimed since the collapse of the Soviet Union; if any ownership exists, the land belongs to the state. Second, the land has no clear boundaries and is perceived by external placers like AIIB and ZWPS to have limited economic value. Even when renting the land from the state, local nomads ‘only assert their rights’ over what is claimed to be ‘a broad but vague area of land’, using only its surface for agricultural and pasturing activities (EcoSocio Analysts LLC, 2019).⁷⁸ Third, temporary landholders, who are seven nomads living around the Zhanatas project, have limited political and social access to voice their opinions regarding land deals, even when formal channels are provided. Under these conditions, for the local state, land in Zhanatas is effectively ready to be exchanged for foreign technologies and investments. To put the land into a handy condition, the report claims:

The windfarm infrastructure takes 145ha of State Reserve land, 3.5ha of Kazfosfat land and 85.2ha of farming enterprises ... They have no attachment to the rented plots and giving up parts of the rented land on several occasions has not deprived them of any access to the pastureland that is available in abundance (EcoSocio Analysts LLC, 2019, p.25).

As a result, since 2019, a portion of the nomads’ land has been reclaimed for a new form of energy production for ‘green energy’. Along with the land, a significant part of their livelihood, culturally and economically linked to the physical land, has been taken away. Most notably, the presence of the turbines and the roads connecting them has affected the people who traditionally herd in the area. While the newly built physical structures are easy for humans to navigate, they obstruct the movement of livestock, particularly young animals. TB, another herdsman I met when I walked around the wind farm, claimed several most direct impacts the project had on his livestock in this conversation:

TB: The windmill indeed does not affect my horses. Surprisingly, my horses seem to enjoy the shadows created by the huge windmill.

Author: I saw some of them. Indeed. Impressive.

TB: However, the windmill affects other two types of livestock. The first is the newborn. They are usually too weak to go across the roads. There are gaps on both sides of the roads if you take a look. I mean, they will go across them with help from their mothers, but it takes a longer time. The second is the sheep. They do not like the sound made by the windmill and are unwilling to go under it.

⁷⁸ This was a view presented and promoted jointly by AIIB, AIIB-approved investigation institutions, and ZWPS. However, this view was totally the opposite of what I would learn later from my interviewees, some of whom are pastoralist farmers.

Author: Have you talked to anyone about this problem?

TB: Not my land now. I do not think it'll work.

(Minutes later)

TB: The government is on their [ZWPS] side. We are on this side [making gesture].⁷⁹

Again, my interview contradicts the official discourse, which is highly abstract and illusional. While recognising the importance of land use and settlement during the construction and operation of the project, the local state, together with the project's monitors and operators, fails to see the land's other value beyond its physical attributes. Land in Zhanatas provides a basis for people's livelihood and a more direct income. This failure to acknowledge the multifaceted value of the land underscores a broader issue in development projects: the marginalisation of local voices and the reduction of land to a mere physical commodity while neglecting its economic, social, and more profoundly, cultural significance to the community (Baka, 2013; Mejía-Montero et al., 2023; Ndi, 2024). Taking critical studies on development projects into account, one may take a further step here to claim that the local populations are exposed to even more severe environmental and economic conditions with the presence of the green energy project, as AIIB, ZWPS, and the local state have all failed to navigate them through the associated risks (Hashimshony Yaffe & Segal-Klein, 2023). This oversight exacerbates existing vulnerabilities, leaving the local nomads to bear the consequences of 'green'-induced disruptions without adequate support or compensation. Consequently, the very project designed as a means of development has instead deepened the marginalisation and adversity faced by the people of Zhanatas.

Land, however, is not merely physical property with economic values. In Zhanatas, as in many other regions, land embodies significant social and political meanings that shape the identities of the nomadic population. This is particularly salient for those who maintain a traditional lifestyle on the steppe. For these communities, land constitutes a vital part of the broader landscape that 'produces' people.

My comprehension of the social and political meanings attributed to the landscape in southern Kazakhstan is derived from interviews conducted with nomads from April to June 2024 in Zhanatas, Shymkent, and subsequently in Almaty. Additionally, in June 2024, I attended a major Central Asian studies conference, where the land's profound geographical, ecological,

⁷⁹ Interview, TB, a pastoralist farmer, Turkestan Village, 28 April 2024.

political, and social significances were extensively discussed.

Firstly, from a historical geographical perspective, the steppes in southern Kazakhstan are central to community-centred pastoralism and inter-ethnic relations. The expansive, resource-rich plains foster an identity characterised by self-sufficient independence and freedom (Cameron, 2018; Sinor, 1990). In particular, around the Karatau Slopes, where the terrain is more mountainous, the landscape historically contributes to a sense of resilience and what Scott describes as ‘resistance’ to the state’s political and economic control, as well as the intruding state itself (Scott, 2009). Secondly, from a social and political perspective, the landscape in Zhanatas, as in other parts of southern Kazakhstan, has facilitated a highly decentralised governance structure and a historically diverse ethnic composition. These features were largely preserved even during the Soviet era. Consequently, local authorities wield significant power, influencing regional autonomy and resource control (Khamitov et al., 2023). Thirdly, the landscape sustains a nomadic culture where rituals, folklore, and art are transmitted from generation to generation. Crucially, what is also passed down is a mobile lifestyle adaptable to the unpredictable, changing, and often harsh environment. GC, my local contact who worked for an environmental NGO that also looked into the Zhanatas case, stated this:

The change in economic production is only the tip of the iceberg. Underneath are the changes in ideas, thoughts, and politics. They are exactly what makes people who they are, aren’t they? Apparently, I am not an expert in wind energy, but I’ll encourage you to think about not just what happened underneath the device [wind blades]. Try this, to think about what happened outside the wind farm and outside the ‘sites’, as we do in Aral Sea.⁸⁰

These together lead to a novel perspective on wind energy, highlighting an important distinction often overlooked in the literature on energy transition. While economic and political consequences, alongside long-term social, ecological, and geographical effects, have been broadly discussed, the specific implications of wind energy remain underexplored. Contrary to the common belief that wind energy requires less land and thus results in less dispossession (Ndi, 2024; Wang & Wang, 2015), the case of Zhanatas demonstrates otherwise: The ‘floating’ nature of wind energy facilitates more subtle and intangible forms of dispossession, making land grabs more convenient for authorities and more detrimental to marginalised communities. Wind energy takes land, while changing 1) the land’s existing and potential economic value, 2)

⁸⁰ Interview, GC, a staff of a local NGO, Almaty Kazakhstan, 27 March 2024.

the landscape, in which the land geographically and ecologically exists, and 3) the social, political, and cultural meanings of the land.

7.2.3 Non-humans on the Land

As one of the leading green energy production initiatives in Central Asia, the Zhanatas project was developed and implemented with what is believed to be a sophisticated environmental risk monitoring and mitigation strategy. Between April and November 2019, a third-party evaluation by EcoSocio Analysts LLC conducted an environmental and social assessment (ESA). The assessment concluded that the project did not present any critical environmental and social issues, categorising it as a middle-level risk with impacts judged to be site-specific or short-term in nature. To date, this 55-page ESA report, which includes two two-day environmental assessments, remains the only comprehensive evaluation of the project's environmental effects, providing a detailed account of the environmental, social, and legal conditions at the project site. However, it fails to consider the long-term impacts of the project.

Both, birds and mammals diversity and numbers are low at the WPP territory during migration and breeding and are expected to be low during winter too... During autumn migration, very few birds were observed. In August a flock of barn swallows crossed the site from northwest at turbines 20-21 flying below the risk window 20-120m; 30-40 wagtails and pipits were resting around the turbines 45-46. All of them fly below the risk window but 3 breeding nearby common kestrels that came to hunt on them, fly within the risk window. Observation of their flight from a vantage point suggested low risk to these birds. In September, 70 swallows flew in the risk window along a noted then migration route along Burkitty River 2.5 and 2.8km from the nearest turbines. Through the plant area, 10 kestrels passed near the turbines 11-13 and 50 jackdaws sat on overhead line along the road to Zhanatas where the transmission powerline will be erected (EcoSocio Analysts LLC, 2019, p.21).

In Zhanatas, as in many other wind energy projects, birds are considered to be significantly affected by construction and operational activities. The ESA report describes the impact on birds as minimal; however, this assessment does not fully reflect the reality. According to archival data and consultant statements, over 75 species of waterfowl have been observed in the region, including the Great Crested Grebe (*Podiceps cristatus*), Pygmy Cormorant (*Phalacrocorax pygmaeus*), Black-necked Grebe (*Podiceps nigricollis*), Great Egret (*Egretta alba*), Common Shelduck (*Tadorna tadorna*), and Grey Heron (*Ardea cinerea*). More

significantly, endangered bird species, such as the White Pelican (*Pelecanus onocrotalus*), Common Crane (*Grus grus*), Dalmatian Pelican (*Pelecanus crispus*), and Demoiselle Crane (*Anthropoides virgo*), have been recorded in within the range of the wind farm.⁸¹ MY, a Kazakh technician who is responsible for monitoring and examining the operation of the project, said to me:

I see the dead bodies of birds from time to time. Dead bodies are usually found under the turbines, and they are the dead bodies of small birds. Birds like sparrows, you know. But I have never seen the bodies of bigger birds, like cranes. I know there are cranes in this area historically, but they are rare. Also, I think they fly high enough to be affected by the wind farm. But to be honest—this is also recognised by many of us within the wind farm, the wind turbine itself and the process of transforming the wind into electricity, do affect the magnetic field here. That means even if you are not physically affected, your migration can be misguided.⁸²

This is confirmed by TB:

Birds are definitely affected. It does not matter how big or small you are. The real issue, in my opinion, is how much you value the species. Sometimes I see dead birds and dead snakes under the device, and I feel sad. I feel sad not because of how many have died, but how many will continue to die.⁸³

Besides the birds, the impact on other non-human elements, specifically soil and vegetation, has been significant. During construction activities, the destruction of soil and vegetation occurred over an area of approximately 0.7 to 1.2 hectares surrounding the foundation, crane pad, and storage and assembly zones. The total estimated loss of topsoil and vegetation encompasses 67.7 hectares. This includes 11.7 hectares beneath the road infrastructure (26 km x 4.5 m), 48 hectares under the wind turbines (1.2 hectares x 40 turbines), and 8 hectares allocated to the substation, concrete plant, and storage areas (EcoSocio Analysts LLC, 2019). Although the impacted areas are relatively small, recovery and regrowth of surface vegetation are projected to take approximately eight years (EcoSocio Analysts LLC, 2019). Furthermore, indiscriminate vehicular traffic along shortcuts between turbines and main roads has resulted in substantial damage to vegetation. This damage is expected to persist throughout the

⁸¹ The view is also supported by my interview with GQ, an AIIB specialist.

⁸² Interview, MY, Kazakh technician, Zhanatas Wind Farm, 20 May 2024.

⁸³ Interview, TB, a pastoralist farmer, Turkestan Village, 28 April 2024.

operational phase, as these shortcuts are likely to remain in use, reducing the potential for vegetation recovery.

Figure 7.3 Abandoned Blade on the Grassland



Note: Taken by the author on 20 May 2024.

While additional impacts on fauna, flora, and air quality could be observed and discussed in the Zhanatas case, the broader implications are nonetheless clear for AIIB, that, the comprehensive evaluation of large-scale projects must extend beyond initial assessments to consider long-term ecological impacts on non-human entities.⁸⁴

Oftentimes, traditional one-time environmental and social assessments, while appearing to be systematic and scientific, are likely to fail to capture the subtle yet long-lasting effects of such projects. This inadequacy underscores the need for a robust, bottom-up evaluation and monitoring system that incorporates continuous, detailed observations (Andreucci et al., 2023; Hu, 2023; Liao et al., 2021). For instance, in the Zhanatas region, indigenous nomadic communities possess intricate, long-term knowledge of the land's ecological dynamics, and they can offer invaluable insights that conventional assessments might overlook. These communities can provide ongoing monitoring and adaptive management recommendations that are crucial for understanding the prolonged impact of projects. Integrating indigenous knowledge into AIIB's monitoring frameworks is essential for a more holistic and sustainable

⁸⁴ Like many other MDBs, AIIB allows the use of the 'Country System'—the legal and political frameworks of the borrowing countries—in project implementation and monitoring. In practice, the borrowing entities (CPID and ZWPS) will do the regular monitoring work and report back to AIIB. However, AIIB is still the gatekeeper that makes sure the harm of its projects is controlled and reduced.

approach to evaluating large-scale projects and their impacts, especially on non-humans.

7.3 The Consequences of a Green Project

A development project may well serve power, but in a different way than any of the ‘powerful’ actors imagined; it may only wind up, in the end, ‘turning out’ to serve power (Ferguson, 1990, p.255).

I now turn to the second type of the effects of the project, the long-term consequences. While the effects described in the previous Section are largely ecological, social, and economic, the consequences here are mainly political and geopolitical.

The consequences primarily benefit the local and central states and, ultimately, AIIB itself.⁸⁵ As I argue, the green framing of the project not only provides AIIB with a ‘point of entry’ to expand its operations in Central Asia but also depoliticises many highly political issues. Chapter 5 shows how ‘green development’ can be used by AIIB to engage with mainstream MDBs and promote its expansion. Here, Section 7.3 will reveal that, on a local scale, AIIB’s ‘green development’ blurs the boundaries between political questions and technical questions. These help to answer the third research question.

7.3.1 Local State (*Zhanatas*)

The literature underscores the critical role of subnational states in both land politics and the politics of green energy. For scholars, subnational states are pivotal in the global capitalist economy and serve as a key to understanding the evolving nature of state power (Ndi, 2024; Sud, 2014b). Under market liberalisation, subnational state also plays a key role in capital accumulation (Sud, 2017). However, the ‘subnational-ness’ manifests at different levels, namely provincial, county, and township. In my following discussion, the local state refers specifically to the state of *Zhanatas*, a county-level state.

Following the collapse of the Soviet Union, *Zhanatas* experienced severe poverty,

⁸⁵ The ‘central state’ I use in this Chapter refers to the national level of authorities in Kazakhstan’s political system, or ‘Astana’. The ‘local state’, unless explained otherwise in the texts, refers to the state apparatus that operates at the Kazakhstan’s Region (county) level, or ‘*Zhanatas*’. The traditional sense of policy makers, together with other region-level legislative, judicial, and administrative bodies, fall into the scope of region-level ‘local state’.

unemployment, and disease. Between 1996 and 1999, a major famine occurred, resulting in significant mortality. Cats and dogs were reported to disappear from the street, as people's 'only affordable source of meat' (OpenDemocracy, 2021). The area also endured an outbreak of tuberculosis lasting until 2007, with lingering health impacts. According to the Ministry of National Economy of the Republic of Kazakhstan, Zhambyl Region, where Zhanatas is located, was the poorest state in the country in 2015, with a poverty rate of 36 per cent (World Bank Group, 2018). For instance, while over 90 per cent of youth in Astana and Almaty have received some level of higher education, less than 50 per cent have achieved this in Zhambyl and East Kazakhstan (OECD, 2017; World Bank Group, 2018). As a result, Zhanatas has well-documented disparities, conflicts, and uprisings, reflecting the rapidly declining authority and credibility of the local state.

Table 7.1 Poverty and Unemployment in Zhambyl⁸⁶

State	Population 2014 (million)	Poverty Rate 2015 (USD 5/day, %)	Self-employment, 2016 (%)	Public Sector Share of Wage Employment, 2015 (%)
Almaty	2.0	11.8	27.1	52.2
<i>Zhambyl</i>	<i>1.1</i>	<i>36.0</i>	<i>44.7</i>	<i>63.5</i>
Atyrau	0.6	11.1	10.2	30.4
Aktobe	0.8	24.3	18.5	36.8
Karaganda	1.4	18.6	9.5	38.1
Astana City	0.8	7.9	5.1	28.4
...				

It was in this particular context that the Zhanatas project was established. When the wind project was initially introduced to Zhanatas, the local state actively offered several things on the table—the things that are essential to building a wind energy project. First, the land. To attract foreign investments and green technologies, which are crucial for transformative progress, the local state willingly appropriated and separated 233.5 hectares of land from its State Reserve land (EcoSocio Analysts LLC, 2019). Second, the wind itself, which blows over 'the state's land'. Third, importantly, the local state also took the responsibility of 'making things ready for investment' by providing an additional security team for ZWPS and connecting it with local construction companies. This effort has proven to be rewarding.

⁸⁶ Source: (World Bank Group, 2018)

Table 7.2 ‘Visible Benefits’ from the Zhanatas Project⁸⁷

Year	Amount (in USD)	Project
2019	15,820	Donated an ambulance to the local public hospital
2020	51,310	Donated to help disabled women and children repair homes
2020	15,820	Donated goods and repair funds to many poor families
2020	37,800	Invested in the maintenance of the Town Park
2021	37,200	Helped complete the swimming pool renovation project in Abuacla
2021	N/A	Received a thank you letter from the mayor of Nantat for social and economic contributions to the Nantat Wind Power Project

In return, the state received three significant benefits from the building of Central Asia’s largest wind farm. First, the project brings significant stable income to the state. Since 2021, ZWPS has become the third-largest taxpayer in Zhanatas. Unlike the other two mining companies, ZWPS represents ‘free tax’, ‘clean tax’, and ‘constant tax’ for the local authorities.⁸⁸ Second, during its construction stage, the project introduced jobs. At the peak of the project’s construction, it provided over 500 positions for local workers. Later, during its operation, although the needs are significantly reduced, around 20 long-term stable jobs are considered unique and enable workers to acquire ‘green skills’ that might be more valuable than their incomes (CPID, 2021). Third, Chinese ZWPS contributed significantly to local infrastructure and made annual donations. In 2019, ZWPS donated an urgently needed ambulance worth approximately USD 16,200 to the local public hospital. In 2020, the company invested USD 52,500 in public repairs of Linden Park and donated USD 38,600 to provide supplies and repair houses for impoverished families (CPID, 2021). Towards the end of my fieldwork, I also managed to visit a popular swimming pool built by ZWPS for the local people at the edge of Zhanatas town. QJ, a local official who walked with me in Zhanatas town, commented on the swimming pool and the local state’s relationship with ZWPS.

A beautiful swimming pool, isn’t it? Used to be abandoned but the Chinese invested a lot of money to rebuild it in 2021. Around 260,000 RMB [USD 37, 200] I think. People come here after dinner, to drink beer and wine, and to swim. We enjoy our partnership with the project. They [Chinese] help us to finish what we did not finish.⁸⁹

⁸⁷ Source: (CPID, 2021)

⁸⁸ Interview with QJ (local official), BJ (local energy official), and DN (one of the leaders of ZWPS), Zhanatas Town, Zhanatas Wind Farm, and Almaty, Kazakhstan, from May to June 2024.

⁸⁹ Interview, QJ (local official), Zhanatas Town, 25 May 2024.

While it is noteworthy how the local state of Zhanatas leveraged the project to reestablish its fragile authority and credibility over historically resistant populations, as shown in interviews and data, the theoretical implications of these observations extend far beyond this singular case.⁹⁰ In many other local regions similar to Zhanatas, local state can extract additional financial and political resources from green energy projects (Karatayev & Clarke, 2016; Lin & Wang, 2023).

7.3.2 The Central State (Astana)

In contrast to the local state, the central state undergoes a series of more profound transformations. While ‘green’ initiatives are implemented in practice, they also serve as what critical development scholars call a ‘point of entry’ for the dominant power of the central state to exercise its political authority and extend its spatial control (Achiba, 2019; Ferguson, 1990). The ‘green’ label justifies the state’s expansionist intentions and greenwashes its exploitative behaviour.

First, the central state extends its resource control by incorporating wind energy into its territory. Despite relatively low energy prices and abundant energy resources, energy poverty remains a serious concern in Kazakhstan due to income inequality, high demand, and inefficient housing construction (OECD, 2017). A recent study surveying 12,000 households found that 28 per cent of households in Kazakhstan are energy-poor, with about one-fifth of the rural population lacking access to clean fuel for heating (Gullette & Féaux de la Croix, 2014; World Bank Group, 2018). Most notably, the Zhanatas will contribute significantly to the solving of these problems due to their large-scale nature. Using Zhanatas as its flagship project, the state has also demonstrated its capacity to access and control wind energy alongside oil, gas, and rare minerals. This project not only showcases the state’s ability to manage the resource itself but also the associated technologies, investments, and infrastructure, reinforcing its broader objectives of technological and infrastructural governance, while people remain marginalised and dissatisfied on the ground.

Green energy studies have identified a prominent logic of solar extractivism under the umbrella of ‘development’. This phenomenon is characterised by large-scale land acquisition, the

⁹⁰ Also see my following interview with OM (a project technician), the local technician who works within the wind farm.

prioritisation of solar electricity production, and significant involvement from local states. Political geographical literature has similarly explored the concept of ‘green extractivism’, which refers to the appropriation of land and resources embedded within global geographies of unequal ecological and value exchange (Andreucci et al., 2023; Hu, 2023; Sultana, 2022). My findings in Zhanatas add to Dunlap (2019) and Torres Contreras (2022 and 2024) on the how large-scale wind energy projects can bring about social-environmental impacts and create social conflicts. In this context, what was previously considered uncapturable is now effectively appropriated and transformed into a subject of state power.

Second, the central state extends into an additional space in southern Kazakhstan. Seeing wind, which would be otherwise abstract, as a ‘new frontier’, the extension of state power into southern Kazakhstan represents a strategic move in resource control, particularly with the rise of wind energy within the central state’s energy system. This shift has increased the influence of state power over the people, places, and institutions in Zhanatas. Historically, during the Soviet era, southern regions of Kazakhstan, including Zhambyl (formerly ‘Dzhambul’), were marginalised in comparison to the industrialized northern and central regions, leading to various instances of political resistance and unrest. A notable example occurred in December 1986, when protests erupted in Almaty after the Soviet leadership replaced the ethnic Kazakh leader of the Kazakh SSR, Dinmukhamed Kunayev, with Gennady Kolbin, an ethnic Russian with no ties to Kazakhstan. While this decision severely affected Kazakh identity, it garnered significant sympathy and support from southern regions, including Zhambyl. The unrest underscored the regional disparities and deep-seated frustrations among southern Kazakhs towards the abstract ‘centre’ (Alff, 2016; Cameron, 2018). Following Kazakhstan’s independence in 1991, the central government in Astana also faced challenges in integrating the diverse regions of the newly independent state. In this sense, wind control goes beyond resource control and becomes space control. And it is felt by many. OM, another Zhanatas-local technician working for the wind farm, repressed his feelings:

I never like the north [referring to the centre]. I mean I can co-work with them, but I am not one of them. [after several other topics] The wind energy project is an attention-attractive one. Zhanatas used to be just the middle of nowhere. But nowadays, it seems

like an oasis in southern Kazakhstan. So many leaders have visited here to learn. I know it is a tough place, but you will come [laughs].⁹¹

Third, through the Zhanatas project, the central state also invigorates its green energy agenda, incorporating the otherwise fragmented time. Alongside space, state power also engages with temporal aspects of its territories. Politically, states have managed historical narratives that align with their identities and strategic goals, while economically, they have engaged in long-term planning to optimise infrastructure and resource development. The Zhanatas project exemplifies this approach by contributing to Kazakhstan's 2013 Concept for Transition to a Green Economy, which set targets to increase the share of renewable energy to 3% by 2020, 10% by 2030, and 50% by 2050 (World Bank Group, 2018). This initiative also aligns with Kazakhstan's Nationally Determined Contributions (NDC) under the Paris Agreement, which commits to reducing greenhouse gas emissions by 15% (unconditional) and 25% (conditional) by 2030 relative to 1990 levels (China Daily, 2024). In addition to these ambitious targets, the central state emphasises international collaboration, seeking partnerships with global organisations to advance green energy initiatives and adopt best practices.

While on the ground, Zhanatas appears as an isolated 'oasis', as YM felt, it is deeply rooted in the central state's historical landscape of exploitation, extractivism, and marginalisation. However, within the central state's green discourse, Zhanatas emerges as a pivotal nexus, bridging the country's extractivist past with its envisioned green future. Again, conveniently, Zhanatas project now symbolises the state's transition from a history of resource extraction to a progressive green energy agenda. By integrating Zhanatas into its renewable energy strategy, the central state not only addresses its environmental ambitions but also recontextualises its developmental trajectory within the broader narrative of 'greening Kazakhstan'.

7.3.3 AIIB (Beijing)

Building large-scale energy projects in Central Asia is not easy. Throughout my fieldwork in Kazakhstan from March to June 2024, I met KT, one of the leaders of ZWPS, several times for interviews. We need to review part of KT's statements again here, to understand not just the nature of his work but the nature of doing development project in a foreign context:

Reaching a deal is hard. But it is even harder to turn the deal into reality.

⁹¹ Interview, OM, a project technician, Zhanatas Wind Farm, focus group, 3 April 2024.

...

People have different interests, and it is practically difficult to find common ground.

...

In the end, it will be 4 or 5 of us running this billion-scale [Chinese Yuan] project. Are you surprised?

...

Only companies with strength [*Shi Li*, in Chinese] can come here and survive.

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The same complaints come from XA, who is one of the leaders ZWPS:

...In this sense, I also manage people's 'feelings and emotions'. You are an expert, so I assume that you will understand the difficult politics involved.

...

You see, we make money. But one of the things we do at the same time is to send part of the money back to locals, besides tax.

Eight large-scale energy projects. Each have each's conditions and difficulties. We have to address these by ourselves. This is not Beijing, our eight projects are in different places in Kazakhstan. So throughout the years, we have learned to rely on no one but ourselves. We address issues, not only diplomatically, but also practically, in both formal and informal ways, you know?

....

I am just giving you a sense of the realities on the ground, 'seeking truth from facts' [in Chinese: *shi shi qiu shi*].⁹³

If anything, statements from XA and KT underscore that constructing and operating large-scale projects is far more complex than often assumed. And this is a challenge for investors as well. As discussed in Chapter 5, even with adequate funding, AIIB can only 'select' projects to invest in rather than implement them directly. In practice, however, the pool of genuinely 'bankable' projects is limited. Moreover, even when AIIB does identify a promising project, it must navigate significant political and financial obstacles to bring it to the implementation stage.

⁹² This material is used once in Subsection 6.2.3. Yet, here, I use it again to reveal the difficulty of ZWPS's everyday work. KT (pseudonym), one of the leaders of ZWPS, Interviewed in Almaty, Kazakhstan, March 2024.

⁹³ This material has been referenced previously; however, I revisit it here to better capture and convey the personal sentiments embedded within it. XA (pseudonym), one of the leaders of ZWPS, Interviewed in Zhanatas, Kazakhstan, May 2024.

In this sense, the label of ‘green’ paves the way for AIIB in Zhanatas. Most directly, ‘green energy’ serves as a strategic ‘point of entry’ for AIIB to expand its operations in Central Asia. Although initially framed as a climate action initiative shaped by multilateralism, the Zhanatas project not only helps local and central governments in strengthening control over populations, land, and resources but also advances the strategic interests of AIIB. Conveniently, the Zhanatas project extends AIIB’s influence further into the Eurasian heartland (Ohle et al., 2020).

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At the same time, ‘green development’ extends beyond merely serving as a ‘point of entry’. The green label has also helped justify AIIB’s contested expansion in the region. Through my fieldwork and discussions with regional officials and intellectuals, it became clear that Central Asia’s largest wind power project is widely perceived as a highly ‘technical, professional, and advanced’ endeavour—a green device that is totally beyond politics and geopolitics. This aligns with Ferguson’s (1990) critique on ‘technical solutions to technical problems’, where the focus on ‘green development’, seen as vital and purely technical, allows other controversial issues, such as social displacement and geopolitical tensions, to be sidelined and overlooked. In this way, the ‘halo’ of ‘green development’ creates a term of neutrality that frames the project as essential and objective, thus diverting attention from the complex social and political dimensions that accompany it.

Under the umbrella of green discourse, nomads are now in the process of becoming additional objects in AIIB geostrategic expansion. Following the same logic, the land and its ecological value are also subjected to the profit-driven motives of foreign entrepreneurs in the name of ‘green’. The only exception, of course, is the wind itself, which has emerged as a symbol of tax revenue, infrastructure development, and economic growth. Wind’s emerging value is now picked up, protected, quantified and traded. As the wind is captured, AIIB asserts its power over Eurasian land—If anything, this exchange reflects that while the way of energy production is changing, the dynamics of resource extractivism in Zhanatas persist.

7.3.4 The ‘Winners’ and ‘Losers’

As Subsection 2.2.1 summarises, large-scale development projects funded by MDBs inevitably

⁹⁴ Interview, SL, Almaty, Kazakhstan, 25 March 2024.

created ‘losers’ and ‘winners’. The emerging literature on green energy transitions has also widely noted that even ‘green’ projects tend to produce uneven outcomes that generate ‘winners’ and ‘losers’ across different actors and scales (Avila et al., 2022; Dunlap, 2018; Dunlap & Arce, 2022). It becomes clear that the empirical evidence presented in this Chapter suggests that the Zhanatas project cannot be adequately assessed through a single judgement of ‘success’ or ‘failure’. Rather than claiming that the project simply succeeded or failed, this Subsection evaluates the project in terms of distribution (of costs and benefits): who benefits, who bears the costs, and in what ways.

Table 7.4 The ‘Winners’ and ‘Losers’: Who, How, and What

	Who	How	Understanding of the Project
‘Winners’	• National state actors • Local state actors • Transnational and foreign actors (AIIB, financiers, contractors) • China	• Increased electricity generation capacity • Alignment with national green energy targets • Fiscal revenues for the state • Portfolio expansion and project experience in Central Asia • Strengthened credibility in climate finance	• Understood as a technical and financial success • Framed as contributing to energy transition and climate finance goals
‘Losers’	• Local residents and communities in and around Zhanatas • Local ecosystems	• Land use changes and landscape changes • Limited access to generated electricity • Few, temporary, and uneven employment opportunities • Social and ecological costs	• Mixed understanding • Understood as delivering limited local benefits (most of the interviewees) • Understood as more acceptable compared to the Russian’s phosphorite project (introduced in Section 7.1 and 7.2 and evidenced by herdsman TB’s statement)

The Zhanatas project can be seen as successful for several actors at the national and global levels (Table 7.4). For the Kazakhstani state, as we analysed above, the project contributes to national green energy targets and supports the Astana’s broader green transition agenda. Even for the local officials such as QJ, the flagship project brings fiscal benefits through tax revenues. For foreign and international actors, including AIIB and related financiers and contractors, the project, too, demonstrates their financial and technical capacity. Even when we look at China from a geostrategic perspective, the project supports its portfolio expansion in Central Asia and strengthens its influence in climate finance. Notably, when assessed against the preset criteria, the project performs as many actors and institutions have intended.

At the local level, however, the outcomes are far more limited (Table 7.4). First, although the wind farm is located in and around Zhanatas, the electricity generated does not primarily supply local communities, nor does it significantly improve residents' access to power.⁹⁵ Secondly, employment opportunities linked to the project are relatively few, often temporary, and unevenly distributed, with many skilled positions filled by non-local workers.⁹⁶ Thirdly, as Section 7.2 presents, local residents experience a range of social and ecological costs, including land use changes, changes to the landscape, and disruptions to everyday agricultural production and livelihoods. From the perspective of those living closest to the wind farm, the project delivers few direct benefits while introducing new burdens.

Taken together, the analysis presented in this Subsection offers a more comprehensive account of the Zhanatas project than the official assessments that focus only on stated objectives or policy commitments. Rather than examining the project solely through the language of MDBs or the (national and subnational) states, it brings into view how benefits and burdens are distributed across different actors and places in practice. By tracing who benefits from energy production, and who bears the social and ecological costs associated with land use change, landscape transformation, and livelihood disruption, my analysis moves beyond abstract impressions to the realities of project implementation.

This perspective, then, makes clear that the outcome of a project like the Zhanatas wind farm cannot be assumed. Whether the project is seen as a 'success' or a 'failure' depends on the criteria used for evaluation and the position of those making the assessment. When judged through technical and financial indicators, such as electricity output, efficiency, and alignment with national green targets, the project appears to perform well. However, when assessed from the standpoint of local residents, as we are doing in the Chapter, the picture is different. My understanding is that what Zhanatas project produces are uneven outcomes rather than a single, unified, and fixed result, as the bank or the (different levels of) states have been claiming.

Analytically, this unevenness is not random but closely connected to how the project is framed and evaluated as a 'green' project. The following Subsection builds on this insight by

⁹⁵ This was revealed in my conversations with one of the leaders of ZWPS, KT. He mentioned the electricity is transferred to a 'regional power grid' that supports the nearby major cities, such as Taraz and Shymkent.

⁹⁶ The higher-level technicians within the station are mostly Chinese.

examining more closely how depoliticisation operates through the structuring of attention in the Zhanatas project.

7.3.5 The Depoliticisation at the Project Level

With the above analysis, we might better understand the deeper on-the-ground consequences of the ‘green development’ project. This section clarifies how depoliticisation is conceptualised and operationalised in the analysis of the Zhanatas project.

As defined in Subsection 1.3.1, ‘political’ refers to decisions about who benefits, who bears costs, and whose priorities shape development outcomes, especially in a specific ‘climate finance’ and ‘energy transition’ project. Depoliticisation, then, refers to ‘a process by which inherent political conflicts are framed, managed, or presented as technical, neutral, or purely administrative matters’. In this thesis, depoliticisation is not treated as a unique mechanism, policy instrument, or intentional strategy pursued by AIIB or other project actors. Nor does it imply the absence of political conflict. Rather, depoliticisation exists as an analytical concept to examine how inherently political questions are framed, managed, and made secondary through how development projects are framed, implemented, and maintained (Ferguson, 1990).

Table 7.5 The Depoliticisation at the Project Level: Questions Asked vs Questions Sidelined

Technical Questions Asked	Political Questions Sidelined
• How much electricity is being produced? • Is the project efficient and safe? • How much tax income will the project bring to the local state? • How will the project fit into Kazakhstan’s green energy transition? • Who funds the project?	• Whose land to take? Through what processes? With what compensations? • Where does project’s profit go to? • Where does electricity created go to? • Who is getting power from the construction, operation, and consolidation of the project? • Is the project changing residents’ daily production and lifestyle? • How many jobs can be offered? Taken by whom?

Understood in this way, depoliticisation operates through ‘the structuring of attention’ within the project. As summarised in Table 7.5, the questions foregrounded in the Zhanatas project are overwhelmingly technical, financial, and administrative in nature. These include how much electricity can be produced (as AIIB documents introduce), whether the project is efficient and safe (as one of the leaders of ZWPS, NM emphasised), how much tax income it generates for the local state (as Local Deputy Akim QJ said), how it fits within Kazakhstan’s national green

energy transition (as Chinese media reported), and who finances the project (as AIIB Official K mentioned). Such questions are treated as central indicators of project success and recur consistently in project documents, my interviews with AIIB officials and project managers, and official narratives surrounding the wind power development. Recalling Subsection 5.2.3 on how AIIB produces green policy, they are also the questions for which clear metrics, targets, and reporting mechanisms exist.

By contrast, a different set of questions that are no less political in nature are systematically marginalised, as also shown in Table 7.5. These include questions about whose land is taken and through what processes (as farmer TB complained), whether and how compensation is provided (as NGO staff GC pointed out), where the electricity generated by the project ultimately goes, and who benefits from power supply during the construction, operation, and consolidation phases. Further sidelined are concerns about how the landscape is transformed, how residents' daily production and livelihoods are affected (as farmer KB said), how many jobs are created and who takes them, and how local ecosystems and animal life are impacted (as Project Technician MY concerned). These questions are not entirely absent from the project context, nor are they unknown to actors involved. Rather, they are somehow made peripheral by the dominant framing of the project as a 'technical solution' to 'energy and climate problems'.

The analytical move made here is therefore comparative rather than causal. By placing side by side the questions that are made visible and those that are sidelined in the implementation of the Zhanatas project, this Chapter identifies the depoliticising effects of green project framing. What is depoliticised is not conflict itself, but the terms through which conflict can be articulated and addressed. In other words, political questions are not eliminated, but are rearticulated as peripheral, external, or outside the scope of the project's core goals, recalling Mitchell (2002), Goldman (2005), Agrawal (2005), and Escobar (1995).

Seen from this perspective, the Zhanatas case highlights the dual character of AIIB's green agenda. At the institutional level, 'green' facilitates AIIB's socialisation with mainstream MDBs and supports the bank's broader expansion as a 'multilateral' 'developmental' institution. At the project level, however, the same green framing can produce depoliticising effects by narrowing the range of questions that are treated as central to project success. This is not presented here as a deliberate outcome, but as an effect that emerges.

My understanding is that while this analysis is grounded in a single project case, its contribution lies in analytical insight. The Zhanatas project, of course, does not stand in for all AIIB green investments. Instead, it serves as an analytically revealing case through which the depoliticising effects of ‘green development’ can be examined in detail (Burawoy, 1998). In doing so, it offers a grounded basis for understandings developed in Chapter 8 on how green agendas within MDBs can simultaneously advance their expansion and reshape political contestation on the ground.

7.4 Conclusion

This Chapter draws extensively on my fieldwork to uncover the complexities behind the Zhanatas project. By examining both the direct effects and consequences of the Zhanatas project, I provide a nuanced view of AIIB’s evolving green agenda, especially of its on-the-ground effects. In Section 7.2, I outline the project’s immediate effects (also referred to as impacts or outcomes), while in Section 7.3, I analyse the long-term consequences, or what Ferguson (1990) describes as ‘instrumental effects’. Together, these discussions address the second and third research questions.

For the second research question—how AIIB implements ‘green’ and what its on-the-ground effects are, my answer is straightforward. I argue that AIIB’s green agenda generates both positive and negative effects. In Zhanatas, while the wind is now captured, extracted, and utilised, the nomads, their land, and the many things on the land stay socioeconomically marginalised and ecologically vulnerable. Taking into account the initial goals of the project—to build a green local economy and to help people around Zhanatas, we might well say that for the many local residents AIIB has failed in its promise of ‘green development’ in Zhanatas.

I also introduce a more nuanced understanding of what it means to describe the Zhanatas project as ‘successful’ or ‘unsuccessful’. Rather than treating ‘success’ as a self-evident outcome, the analysis shows that assessments of an MDB-funded project depend on who is doing the evaluating, from what position, and according to which criteria. From the perspective of national and transnational actors, the project obviously performs well against technical, financial, and policy indicators. From the perspective of many local residents, however, the same project delivers limited benefits while introducing new social and ecological burdens.

Success, in this sense, is a contested outcome shaped by the level of the analysis.

My answer to the third research question—to what extent and in what ways ‘green’ can depoliticise the expansion of AIIB and China—adopts a more critical perspective. I argue that AIIB’s green agenda produces not only social, economic, and ecological effects but also significant long-term political consequences. Specifically, the green project functions as a ‘point of entry’ for AIIB to expand its operations in Central Asia, while simultaneously depoliticising highly political issues embedded in the green project.

More importantly, the Zhanatas project should be seen as part of AIIB’s broader ambition to establish itself as an influential green bank. The practical and theoretical implications of the Zhanatas case extend beyond this single project, raising broader questions about AIIB’s green agenda, though cautiously. Currently, we do not know about the actual effects of AIIB’s other green projects in Europe, Africa, or Latin America. We also do not know how many more projects similar to Zhanatas the bank may pursue in the future. What is clear, however, is that ‘green development’ is far from being merely a concept; rather, it is a system of technology that produces real-world effects and can ultimately ‘turn out’ to serve and consolidate power (Ferguson, 1990).

These understandings directly extend AIIB literature and the broader MDB literature.

Besides, this Chapter extends the green energy literature. For decades, Central Asia, alongside other energy-rich peripheral regions, has been selected as a testing ground for coal- or nuclear-energy production by various authorities (Alff, 2016; Cameron, 2018; OpenDemocracy, 2021). Rich in wind and solar resources and characterised by low population density, ‘remoteness’, and perceived ‘emptiness’, these places are now more frequently chosen as spaces for large-scale green energy projects (Achiba, 2019; Hancock, 2015; Karatayev & Clarke, 2016). (Hashimshony Yaffe & Segal-Klein, 2023; Lin & Wang, 2023). This Chapter demonstrates that even in seemingly ‘empty’ places with low populations, green energy can substantially affect people, environment, and institutions on the ground.

This Chapter also has a unique focus on wind, an emerging energy resource. Unlike solar energy or geothermal energy, wind energy has a ‘floating’ nature, meaning that it can produce clean electricity on a limited amount of land (Hashimshony Yaffe & Segal-Klein, 2023; S.

Wang & Wang, 2015). However, this ‘floating’ nature also allows the consequences around energy production to happen in a more abstract yet damaging way. The social scientific research of green energy must engage with the ecological, political, and social inequalities inherent in the changing energy production.

Chapter 8 The Depoliticising Effects of MDBs

In the preceding Chapters, I analysed AIIB as AIIB. Chapters 4 and 5 empirically examine how AIIB conceptualises the notion of ‘green’ and translates it into policy. Drawing on fieldwork conducted in Beijing, I argue that ‘green’ has enabled AIIB to engage with mainstream MDBs and promote its expansion. Chapters 6 and 7 trace one of AIIB’s flagship green projects—the Zhanatas project—from the institutional level in Beijing to its implementation on the ground in Zhanatas. I empirically explore how AIIB enacts its green agenda and examine the diverse effects this project generates locally. I argue that the bank’s green agenda produces not only immediate social, economic, and ecological effects, but also long-term political consequences. Collectively, these discussions address research question 1 and research question 2.

In Chapter 8 and Chapter 9, which are discussion Chapters, I use AIIB as an analytical lens, to answer the third research question: in the longer term, to what extent and in what ways does ‘green’ depoliticise the expansion of AIIB and China? In doing so, I theorise case-specific findings in the empirical Chapters and contribute to the literature on MDBs’ green turn and China’s global rise.

In this Chapter specifically, I theorise the depoliticising effects of MDBs—especially in the context of climate change and green energy transition. ‘Depoliticising’, as Chapter 1 defines, describe how the green agenda of MDBs like AIIB is often framed as a set of technical solutions to climate problems—such as investments in green energy—rather than as contested political choices involving different visions of development, competing interests, and unequal outcomes.

Using AIIB as a case, I argue that even seeming neutral development institutions can operate to serve the interests of themselves and their founding countries. I conceptualise this process through what I term ‘green obfuscation’, which involves: (1) the downplaying of the ecological and social values of targeted landscapes; (2) the mobilisation of climate crises to create investment opportunities; and (3) the application of green agendas to legitimise profit-making practices.

Once again using the the case of Zhanatas, I contend that the greening of MDBs is not without significant costs. Most notably, it contributes to the financialisation and technocratisation of

climate questions at both global and local scales.

To clarify, this Chapter is not presented as a stand-alone Chapter focused generally on MDB's greening. My analysis remains centred on AIIB and its green agenda. My theorisation of MDB's depoliticising effect, too, is based on my empirical findings from both Beijing and Kazakhstan fieldwork. The aim is to ask the 'so what' question—what does AIIB's case reveal about wider structures, and how does it help us extend or challenge existing literature on the green turn of MDBs? While the discussion draws from my fieldwork data, I also incorporate broader sources to develop and substantiate the analysis.

The arguments developed in this Chapter speak directly to the MDB literature and the critical development studies literature. They highlight the multi-layered and networked nature of contemporary climate action, illustrating how development institutions such as AIIB play a constitutive role in enabling these processes. The 'mundane technologies and non-Western case', which produce larger structures that allow profit-making and power-building activities, should be studied with 'multi-scalar analysis' and critical perspectives (Sovacool, 2021).

Section 8.1 focuses on the broader greening of MDBs. I introduce the concept of 'green obfuscation' to describe how MDBs, through their environmental agendas, enable and legitimise profit-making practices. This is especially striking given that MDBs are institutionally mandated to promote equitable development and reduce power asymmetries.

Section 8.2 discusses the consequences of this obfuscation. I argue that the greening of MDBs comes with significant costs—chief among them the financialisation and technocratisation of climate questions, both globally and locally.

Section 8.3 concludes the Chapter by summarising its core arguments and reflecting on how the findings contribute to the broader themes of the thesis. It also outlines how these insights engage with and extend existing literature.

8.1 The Greening of MDBs

We learn from Chapter 4 that development banks look for investment opportunities. More critically, they guarantee and safeguard investment for states and private sectors (Clark &

Dolan, 2021; Humphrey, 2017). As development finance expands into the climate arena, development banks turn ‘green’ too.

We also learn from Section 2.2 that a sole focus on the sites of green energy production leads to oversimplifying the conditions that enable exclusion and exploitation.⁹⁷ It is so for two reasons. First, a narrow focus on the exact point of green energy production, namely a project, a site, or a place, as we see in Zhanatas, can obscure the more complex technologies and relations that enable the production (Dunlap et al., 2024; Dunlap & Arce, 2022; Zografos & Martínez-Alier, 2009). Second, the increasingly prominent ‘green financialisation’ in the global climate agenda, as we see in Beijing, is bringing more non-state and quasi-state actors, such as private capitals, into the circuits of profit-making activities (Andreucci et al., 2023; Büscher & Fletcher, 2015; Fletcher, 2012). It is thus theoretically and empirically important to interrogate the broader, multilayered, and networked structure of green energy transition, alongside its sites and intensities.

In this Section, I use AIIB as a lens to critically discuss the greening of MDBs. Drawing from my yearlong qualitative fieldwork as a whole, I argue that even the seemingly most innocent and neutral development banks can operate to serve the interests of themselves and their founding countries.

More specifically, I term development banks’ practices as ‘obfuscation’. Three features of ‘obfuscation’ can be identified: (1) the downplaying of the ecological and social values of the desirable locations; (2) the mobilisation of climate crises to generate investment opportunities; (3) the application of green agendas to justify profit-making activities. While it serves banks directly, ‘obfuscation’ produces a larger structure—networks of information, money, and technology—that enables and sustains energy production in the name of green, from which the expanding states, such as China and Kazakhstan, and capitalist companies, such as ZWPS and Visor Investments, benefit (Dunlap et al., 2024; Li, 2009).

⁹⁷ In development studies, there are different definitions of ‘exploitation’. In this thesis, I focus simply on the exploitation facilitated by MDBs. ‘Exploitation’ is defined as a process by which MDB-funded development projects extract resources, labour, or environmental value from local communities while disproportionately burdening them with social, ecological, or economic costs. ‘Exclusion’, too, is defined as a marginalisation of local communities from participation in the designing, implementing, and benefit-sharing of MDB-funded development projects.

8.1.1 Downplaying Values

For development banks like AIIB, the first step in appropriating investment in a particular location is often to downplay its existing values. In order to frame a new project as ‘green,’ ‘clean,’ ‘sustainable,’ and ‘modern,’ the region’s original modes of production must first be cast as ‘marginalised,’ ‘negligible,’ and ‘underdeveloped’. This downplaying is often contextual and case-specific.

As I introduce in Chapter 6, on 28 November 2019, AIIB and Kazakhstan’s Ministry of Energy signed a Memorandum of Understanding (MOU) to promote investment in renewable energy. Under this agreement, AIIB pledged to assist the Ministry in expanding its renewable energy capacity by shaping the sector’s institutional framework and introducing financial mechanisms to facilitate project funding. As part of this initiative, AIIB’s Board of Directors considered a project to ‘develop, construct, and operate a wind farm’ in southern Kazakhstan (AIIB, 2019b). In the official discourse, AIIB positioned this investment as a contribution to Kazakhstan’s transition to a ‘green economy’ and a step towards fulfilling the country’s commitments under the Paris Agreement. As AIIB Vice President and Chief Investment Officer D.J. Pandian stated, the project reflects ‘the bank’s support for Kazakhstan’s green development agenda’ (AIIB, 2019b).

While the idea of ‘building a wind farm’ may seem straightforward, its execution is far more complex—particularly facing the geographical and socioeconomic realities of desirable places. Here, Zhanatas, once again, serves as a good case. For generations, Zhanatas has held significant economic, ecological, and social value for its people. Economically, it has long been sustained by traditional pastoralism, a livelihood officially classified as self-employment in statistical records (Table 4). Ecologically, the landscape also supports a nomadic way of life in which rituals, folklore, and artistic traditions are passed down through generations. This cultural continuity is rooted in mobility—an adaptive strategy essential for surviving in an unpredictable and often harsh environment. Even socially and politically, Zhanatas, like much of southern Kazakhstan, has historically fostered a highly decentralised governance structure and a diverse ethnic composition (Cameron, 2018). These characteristics remained intact even through the Soviet era, preserving local autonomy and community-based resource management (OpenDemocracy, 2021) (also in Chapter 7).

However, what has long been a source of resilience for local communities was perceived as a barrier by investors, prominently the bank. To justify the project, AIIB had to reframe Zhanatas's existing socio-ecological systems as outdated and incompatible. My interviews in Beijing show that the strategic downplaying of local economic, ecological, and social values clearly served two key purposes. First, as a borrower and investor, AIIB must show to its clients—the central and local states in Kazakhstan—that Zhanatas has been a marginal place with little value.⁹⁸ The 'green', 'clean', 'lean' wind energy project introduced by the bank was highly needed to change this status. Second, the downplaying would also reassure the 'investors of the investors'—the private capitals and shareholders behind AIIB—who needed guarantees that their capital would flow into a needed and correct place (Clark & Dolan, 2021; Humphrey, 2017, 2022).

The knowledge production, defining what Zhanatas is and what it needs, came as the first move in 2017. In the eyes of AIIB, 'the proposed Project site was undeveloped due to its unsuitability for agriculture, seldom used for cattle grazing due to its limited vegetation coverage and lack of water sources, and the presence of only a few fauna and flora species was identified' (AIIB, 2025e). In the bank's environmental and social reports, even the way of production of the local communities can be negligible. My fieldwork found that at least eight neighbouring farms, located around the wind turbines, were leasing land from the government's 'State Reserve land' that was transferred to the Project.⁹⁹ However, for AIIB, the '54 hectares represent less than one percent of the total land leased to community members, and twenty-three percent of the Project's total land lease' (AIIB, 2025e).

The literature has told us that, unlike states and state-led companies, development banks themselves are the knowledge producers of 'scientific' development conclusions (Ferguson, 1990; Wade, 2016a, 2016b). This means that they can even move one step further to degrade the ecological values of their desired regions. While my local informants told me much about 'the birds being killed by the big pillars [turbines]', the bank had chosen to put the issue aside.¹⁰⁰ For the bank:

⁹⁸ Interviews, with a shop owner and four residents in the town, Zhanatas town, April 2024.

⁹⁹ Building on my last visit to the project site, happening from the end of May to the start of June.

¹⁰⁰ Interview, Old Russian-Kazakh pastoralist, Zhanatas Wind Farm, 1 June 2024.

The avian migratory corridor nearest to the WPP migration lies 20 kilometers to the north along the Kyzylkol, Sorkol, Akkol lake system that is visited by over 75 species of waterfowl. Only 21 species were observed at the site during the spring and autumn bird surveys, and bird numbers were relatively low. The specialist study concluded that the impacts of the Project on avian fauna will be minimal due to its location, which is largely unsuitable for nesting and rarely crossed by migratory birds, and the low altitude flight patterns—below the 30m to 150m risk zone of the blades’ span—of the species observed at site (EcoSocio Analysts LLC, 2019, p.20).

Notably, statements from AIIB and its funded knowledge-production institutions reveal a pattern of fact manipulation. They illustrate how knowledge about development projects is constructed and disseminated in ways that prioritise institutional agendas over local realities. More importantly, when examined against the lived experiences of communities at the local or regional level, these narratives expose how the seemingly ‘scientific’ and ‘technical’ development institutions can intentionally downplay the ecological and social values of a location to serve their own interests (Dunlap & Arce, 2022; Ferguson, 1990).

8.1.2 Mobilising Crises

While the downplaying is often case-specific, the mobilisation of crises happens at the institutional level. In around 2019, three years after the bank’s establishment, AIIB seized the buzzwords of ‘climate finance’ and ‘green energy transition’ and integrated them into its first version of Corporate Strategy. We learn about how and why the bank turned to ‘green’ in Chapter 5. Here in this Section, we look more critically at how MDBs like AIIB utilising ‘green’ not as crises but as opportunities.

Notably, the bank’s turning to green was closely associated with the signing of the Paris Agreement. In 2015, states and institutions signed an international treaty on climate change at the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, France. The Agreement notably aims to limit global warming to well below 2°C, preferably 1.5°C, above pre-industrial levels. Soon after, development banks shifted their financing towards what they call ‘low-carbon’, ‘climate-resilient’ projects, or what the literature summarises ‘green finance’ . We can, once again, have a sense of this connection from the one of AIIB’s leaders comment:

Since I joined, there has been a clear ‘internalisation of the Paris Agreement’, in terms of the alignment [with the Agreement], in terms of [asking] what the implications of the Paris Agreement are...I think that is a real shift. It is not something that happens overnight but a gradual ‘internalisation’. And frankly also [the thinking pattern shift], in terms of ‘what is sustainable growth?’ and ‘what does it mean?’... I would say it is even more transformative, as it integrates the climate in a wider perspective.¹⁰¹

In the Paris Agreement and subsequent policy debates, ‘climate finance’ and ‘energy transition’ are framed as essential tools for global climate action. The bank, however, approaches both as opportunities for profit-making and re-branding. For AIIB, the post-2015 climate action primarily requires ‘increases in economically, environmentally, and socially sustainable investment across multiple sectors’ (AIIB, 2025d). To achieve this, the bank has outlined two key commitments. First, it aims to collaborate with other multilateral development banks to expand combined climate financing to USD 175 billion by 2025. Second, it has pledged to align with the Paris Agreement by directing 50% of its overall approved financing toward climate-related investments by 2025 (AIIB, 2024b).

However, by the time I finished reviewing AIIB’s numerous climate-related statements and documents, it became evident to me that the bank interprets the climate crisis primarily as a funding gap—one that requires increased investment—rather than as an issue of justice, distribution, or responsibility. This is exactly why an official at AIIB would say the following to me in our interview:

Our experience has taught us that a focus on climate could help us generate business opportunities. As climate plays a more important role in the market, we shift our focus too. Now, what is our next step? If we give greater prominence to climate, the previous [climate-related] benefits will continue, and it will also become AIIB’s label.¹⁰²

In addition to its engagement in the ‘climate finance’ sector, the bank views the ‘energy transition’ as a strategic opportunity to expand its investments into emerging energy resources, particularly solar and wind energy. A review of the bank’s energy strategy documents indicates an awareness of the potential shortcomings of its historically heavy investments in traditional energy, particularly in the context of the global shift towards decarbonisation. Between 2016

¹⁰¹ Interview, one of the leaders of AIIB, Beijing, 15 November 2023.

¹⁰² Interview, K, senior official, AIIB HQ, Beijing, 20 October 2023.

and 2021, AIIB's investments in the energy sector amounted to over USD 5.8 billion, representing 28% of its total regular financing during this period (AIIB, 2022c). To address these challenges, the bank has committed to supporting and accelerating the energy transition among its member states through targeted investments in key areas, such as (1) renewable energy expansion, (2) infrastructure development to facilitate low-carbon electricity and fuel integration, and (3) transition from carbon-intensive fossil fuels (AIIB, 2022c).

Here, at the institutional level, we can see how the bank uses the commonly acknowledged climate and energy crises to generate new 'green' markets for their profit-making investment. Even in the traditional sectors, such as oil and infrastructure, it can use the crises to enhance the existing markets and manage to rebrand itself as 'green'. If anything, the statements from the leaders and the high-level officials of the bank reconfirm the view in political ecology studies and critical development studies, that development institutions can seize ongoing (and future) crises as growth space (Dunlap & Arce, 2022; Sud, 2025; Tornel, 2023). Their hands are not totally off the crises. Instead, they themselves should be seen as a part of a larger structure that produces and reproduces green extractivism (Dunlap et al., 2024; Zografos & Martínez-Alier, 2009).

8.1.3 Justifying Investment

A third core dimension of development banks' 'obfuscation' is the instrumentalisation and application of their green agendas to justify their investment. Oftentimes, although the investment (in solar or wind resources) itself may appear 'green', many of these bank-financed projects depend on the large-scale appropriation of land, water, air, and space, raising concerns over dispossession and ecological degradation (Avila, 2018; Avila et al., 2022; Siamanta, 2019; Stock, 2023; Stock & Birkenholtz, 2021; Ulloa, 2023). The discourse surrounding 'green,' 'clean,' 'sustainable,' and 'climate-resilient' investments is thus intricately linked to the ways in which development banks legitimise and justify these profit-making practices.

By 2023, AIIB's 'obfuscation' strategy of 'downplaying' and 'mobilising' had yielded significant results. In 2023 alone, the bank's total climate finance amounted to USD 3.43 billion, representing 60% of its total approved regular financing for the year (AIIB, 2023a). Concurrently, AIIB's sovereign-backed financing had reached USD 30 billion by the end of 2022, solidifying its position as one of the most financially robust development banks globally.

In addition, the shifting towards ‘climate’ and ‘energy’ investment has also contributed to the bank’s success as a credible financial institution. Since 2017, the bank has maintained AAA credit ratings from leading agencies, including Standard & Poor’s, Moody’s, and Fitch. AIIB’s official communications highlight this financial credibility, stating: ‘industry recognition of sound financial standing has enabled us to expand our presence in international capital markets through global bond issuances and broaden funding sources via local currency-denominated bonds and private placements’ (AIIB, 2025a). In short, the bank grew into a ‘global’ and ‘green’ development institution.

While resource extraction has been a primary driver of the bank’s growth, the bank attributes its success to its green agenda. In its official discourse, the distinction between investment and extraction has become increasingly blurred. This narrative is particularly evident in the bank’s 2023 Annual Report, where AIIB President Jin Liqun states:

In 2023, climate finance amounted to USD3.43 billion, or 60% of total approved regular financing, up from 56% in 2022 and surpassing our target of 50% climate financing by 2025. ... This reflects our continuous effort to mainstream climate financing across our investment operations—indeed, of the 37 regular financing projects this year, 31 involved climate financing as an integral component. This was driven by sizable growth in climate mitigation projects, which comprised 90% of climate financing. Going forward, we will further increase financing for climate change adaptation, particularly relevant at a time when a number of our clients are grappling with the consequences of the climate change (AIIB, 2024a, p.13).

But why does the bank have to be so ‘diplomatic’? Unlike states and state-led enterprises, development banks tend to be more responsive to critiques of environmental degradation. As discussed in the Introduction, development banks are state-backed financial institutions with publicly defined mandates, positioning them as actors in the pursuit of ‘development’ rather than mere profit. While all development banks operate on a self-financing model, they must also maintain the image of moral legitimacy within the development finance landscape (Humphrey, 2016; Humphrey & Michaelowa, 2013). For a China-led institution like AIIB, as we see in Chapter 4, this reputational concern is particularly pronounced, given ongoing debates regarding its role as a vehicle for China’s resource extraction and geopolitical influence (Cai, 2018; Kaya et al., 2021; Kaya & Woo, 2022; Qian et al., 2023). Consequently, a development bank like AIIB would have to prioritise ‘development-making’ over ‘profit-

making’—at least in the papers and sheets.

My fieldwork reveals that, even at the project level, claims of green can potentially legitimise and rationalise the bank’s profit-making investments. While the Zhanatas Wind Power Project generates energy from wind resources, its development has entailed significant land and spatial usage. Informants residing near the wind farm reported that ‘several conflicts have occurred between project workers and local residents over land and water use’.¹⁰³ Even in AIIB’s own assessment, issues of displacement and compensation are evident, as the bank acknowledges that ‘none of the six affected farmers were compensated with either land or cash’ for the land acquired (EcoSocio Analysts LLC, 2019, p.25).

Despite these adverse environmental and social impacts, the project continues to be justified through the discourse of ‘green,’ ‘renewable,’ and ‘sustainable’ development, which obscures its extractive dimensions at the local level. For instance, AIIB emphasises that the project’s greenhouse gas (GHG) emission reductions have been calculated at 265,864t CO₂ equivalent per year (AIIB, 2025e). Additionally, China’s state media, working in alignment with AIIB, further promotes the project’s benefits, asserting that it contributes to emission reductions, equipment provision, and social infrastructure development in Zhanatas.

The wind farm has generated 750 million kWh of electricity by the end of 2022, said Abilgaziev. Compared with coal-fired power plants with the same capacity, it is equivalent to saving 255,000 tons of standard coal and reducing carbon dioxide emissions by about 673,000 tons.

Chinese friends have brought equipment and investment to Kazakhstan, he said, adding that they have also trained local talents in clean energy who were hard to find in Kazakhstan 10 years ago.

The wind power project has created jobs and increased tax revenue for his hometown, bringing new opportunities for urban development, said Abilgaziev (China Daily Global, 2023).

Here, different from the literature that focuses on the role of states in global climate action (Avila, 2018; Hu, 2023; Siamanta, 2019; Ulloa, 2023), my empirical findings suggested that

¹⁰³ Interview, middle-aged Kazakh pastoralist, Zhanatas Wind Farm, 1 June 2024. Also, interview, pastoralists, a father and his sons, Zhanatas Wind Farm, 3 June 2024.

even the seemingly neutral development banks can enable exploitative activities, from the institutional level, as well as on the ground. By a series of operations that I characterise as ‘obfuscation’, development banks like AIIB enter the space of ‘climate finance’ and ‘green energy’. They do so, for profit and power.

8.1.4 The Depoliticisation at the Institutional Level

While Subsection 7.3.5 summarises the depoliticisation at the project level, with the above discussion, this Subsection characterise the depoliticisation at the institutional level.

At the institutional level, depoliticisation is still about ‘what questions are being asked’ and ‘what questions are put aside’. Since 2019, the institutional debates about the bank have been structured around a set of climate criteria. In this context, ‘green’ appears as a framework that reshapes how the bank’s growth is understood, assessed, and normalised within the MDB ecosystem.

Table 8.1 The Depoliticisation at the Institutional Level: Questions Asked vs Questions Sidelined

Technical Questions Asked	Political Questions Sidelined
• How much climate finance does AIIB provide? • How green is AIIB’s investment? • Is AIIB aligned with the Paris Agreement? • How does AIIB contribute to global climate goals and energy transition? • Is AIIB financially sound, efficient, and professionally managed?	• Who is controlling AIIB? • Who gains influence through AIIB’s growing role in development finance? • How does AIIB’s expansion reshape regional power relations? • How does AIIB interact with China’s BRI? • What long-term political dependencies are created through AIIB financing? • Is AIIB challenging the mainstream MDBs?

As summarised in Table 8.1, the questions foregrounded at the institutional level are overwhelmingly technical and climate-oriented. As shown by Chapter 5 and Chapter 6, These include how much climate finance AIIB provides, how green its investments are, whether its portfolio aligns with the Paris Agreement, how it contributes to global climate goals and energy transition, and whether it is financially sound, efficient, and professionally managed. Such questions treat AIIB’s expansion primarily as a matter of scale, compliance, and effectiveness. As a result, the bank appears as ‘a technical solution’ to ‘technical problems’, or in Ferguson’s (1990) term, ‘an anti-politics machine’.

At the same time, Table 8.1 also shows that a distinct set of political questions is consistently

sidelined. Recalling the MDB literature, these include questions about who ultimately controls AIIB, who gains influence through its expanding role in development finance, how its growth reshapes regional power relations, and how the bank's operations intersect with China's broader overseas strategies, including the BRI. As Chapter 4 and Chapter 7 show, also marginalised are questions about the long-term political dependencies created through AIIB financing and whether the bank challenges or reorders existing MDB hierarchies. Clearly, as Section 2.1 shows, these issues are not absent from broader IR and MDB debates, but they have not been as intense as around 2016 when AIIB was established.

What is depoliticised at the institutional level, therefore, is not the existence of power relations, but their visibility. Political questions about influence, control, and geopolitical consequence are reorganised as secondary to the bank's technical performance. By contrast, questions that can be expressed through environmental concerns, financial indicators, and governance standards are upgraded as the primary basis for judgement.

Importantly, this institutional form of depoliticisation differs from that observed at the project level. While project-level depoliticisation narrows debate by prioritising technical criteria during implementation, institutional depoliticisation works by stabilising the bank's position within MDB ecosystem. In doing so, the evolving green agenda enables AIIB to grow as 'green' bank while shifting attention away from the political consequences of that growth.

8.2 Financialisation and Technocratisation of Climate Questions

Section 8.2 examines the consequences of MDBs' green turn. I argue that the greening of MDBs entails significant costs—most notably, the financialisation and depoliticisation of climate questions at both global and local levels.

This process of 'obfuscation', veiled under the discourse of 'green', contributes to the transformation of exploitative activities into a financialised and depoliticised endeavour. Interviews suggest that financialisation blurs the lines between (energy) production and consumption, driven by and ultimately serving actors 'above', rather than those 'below'. Depoliticisation, as the evidence indicates, obstructs meaningful debate over how climate crises should be addressed and whose rights are prioritised. These findings offer empirical insight into the layered and networked character of MDB-enabled exploitation.

8.2.1 Financialisation

Financialisation happens in Beijing, mainly at AIIB's headquarter. Through its procedures, technologies, and specialised jargon, the bank transforms climate finance and energy transition into financial assets, integrating them into broader capital circuits. In doing so, it facilitates the entry of non-state and quasi-state actors, including private capital and state-owned enterprises (SOEs), into extractive activities.

Financialisation serves the 'above', instead of the 'below' (Sud, 2025). Existing literature on green financialisation highlights its role in creating carbon markets, green bond markets, and payment schemes for ecosystem services (Büscher & Fletcher, 2015; Fletcher, 2012; Liu & Lai, 2021). However, rather than mitigating exploitation, these mechanisms often serve to reinforce value extraction and capital accumulation within the green economy (Dunlap et al., 2024). AIIB exemplifies this dynamic. Insights from interviews with the bank's investment officials suggest that the institution is ultimately driven by profit-making rather than development-making.¹⁰⁴

The bank also plays a pivotal role in linking SOEs with private capital. Through its partnerships, AIIB enables companies like X, Y, and Z to access investment from a broader network of financial institutions, including the EBRD, the GCF, and China's ICBC. More importantly, by facilitating these financial connections, AIIB not only diversifies investment sources for its partners but also reduces financial risks and eliminates investment barriers by strategically leveraging public funds. As one of the leaders of ZWPS revealed in our conversation, the nature of their financial operations reflects this hybrid model of capital mobilisation:

Reaching a deal is hard. But it is even harder to turn the deal into reality.

...

As you can imagine, those we deal with every day are our investors, our parent company, project-site technicians, government officials, buyers [local power companies], and media.

People have different interests, and it is our job to find common ground.¹⁰⁵

However, for local communities, the financialisation translates into diminished access to decision-making processes and weakened mechanisms for protecting their rights. I traced the

¹⁰⁴ For example, interview with K, an AIIB high-level official, in Beijing, November 2023. Used also in Subsection 6.2.3.

¹⁰⁵ One of the leaders of ZWPS, interviewed in Almaty, Kazakhstan, March 2024.

Zhanatas project from its conceptualisation in Beijing to its implementation in Zhanatas, where it materialised on the ground. My fieldwork revealed that local residents have been systematically deprived of both their land rights and avenues for voicing grievances. Specifically, more than five of my interviewees expressed uncertainty about who funds the wind turbines and who ultimately profits from them.¹⁰⁶ Furthermore, they voiced concerns about the absence of ‘accessible channels’ to express their opinions or contest the project’s impacts.¹⁰⁷ The only formal grievance mechanism available appears to be on AIIB’s official website, where complaints can be submitted in either English or Russian—a process that may itself pose barriers to the local Kazakh pastoralists (AIIB, 2025e).

In the context of exploitation and dispossession, longstanding conflicts have historically revolved around the spatial disconnect between energy production and consumption—that is, where green energy is generated versus where it is ultimately used (Hashimshony Yaffe & Segal-Klein, 2023; Zografos & Martínez-Alier, 2009). Through financialisation, a process prominently driven by development banks such as AIIB, in collaboration with powerful states, these conflicts have been increasingly ‘ecologised’ and ‘technicised’, reframing them within the language of ‘green’ and ‘climate’. The case of AIIB and its Zhanatas project illustrates how the financialisation of climate questions blurs traditional boundaries between core and periphery. The result then is, the centre, where financial profits are accumulated, and the periphery, where green resources are extracted, become increasingly indistinct.

Yet here, my findings contribute to and extend existing debates within political ecology and critical energy studies. Scholars examining sites of exploitation and dispossession have documented how conflicts ‘arises in the course of the periphery being expropriated at a cheap price of its rights over wind while also suffering damage in terms of perceived landscape degradation’ (Zografos & Martínez-Alier, 2009). However, if we push this analysis further, we can move beyond a focus on the production sites themselves to examine the vast networks that initiate and sustain exploitative activities. In my case, this network consists of AIIB, operating in conjunction with the EBRD, GCF, and ICBC and private corporations such as Companies X, Y, and Z.

¹⁰⁶ Interviews, 4 households around the wind farm, from May to June 2024. 9 in total were interviewed. 5 of them have expressed the concern.

¹⁰⁷ Interviews, 4 households around the wind farm, from May to June 2024. Also, Interview, shop owner, Zhanatas town, 1 June 2024.

8.2.2 Technocratisation

As financialisation expands and intensifies, it concurrently facilitates the process of technocratisation. This technocratisation is particularly pronounced on the ground, in Zhanatas, where it obstructs critical debates on how climate crises should be addressed and whose rights should be prioritised.

In conventional extractive industries, such as coal, oil, and mineral extraction, conflicts are often characterised by local resistance to official narratives that frame landscapes as ‘valueless’ and justify their transformation through technical interventions. These objections are possible, in part, because the power imbalances inherent in extractive projects remain highly visible. Communities affected by these projects can directly perceive the transformations in their landscapes and experience the broader social, economic, and environmental costs of extraction. As a result, in conventional extractive industries, even states and state-led profit-driven enterprises must navigate the tensions between winners and losers in the extractive process (Avila et al., 2022; Hu, 2023; Stock & Birkenholtz, 2021).

However, development banks have also actively reshaped this process through technocratisation. My research on AIIB and the Zhanatas project reveals that institutions like AIIB play a pivotal role in structuring networks that depoliticise exploitative activities. They achieve this through two primary mechanisms.

Firstly, the victims of MDB’s profit-making projects are reframed as beneficiaries of the highly technical ‘energy transition’ or ‘climate action’. Rather than acknowledging the dispossession and socio-environmental costs experienced by affected communities, development institutions portray them as direct beneficiaries of renewable energy projects. For instance, AIIB describes the Zhanatas project as one that ‘will contribute to the renewable energy development of Kazakhstan through delivering clean electricity generation of approximately 319 GWh per annum’ (AIIB, 2025e). Similarly, through the narrative constructed by China’s state media, which works in alignment with AIIB, affected communities are depicted as active participants and ultimate beneficiaries of the project. In some portrayals, they are even symbolically positioned as if they own and manage the initiative themselves. This narrative is particularly evident in coverage by China Daily, a leading state media outlet, which states:

The place was once a center of phosphate rock mining and fertilizer production, but it witnessed big job losses following the decline of the industries.

...

‘Most of the work was carried out by Kazakh construction firms. The cooperation between Chinese and Kazakh colleagues is based on equality, mutual learning and mutual trust,’ Guo said.

It became Central Asia’s largest wind farm at the time, greatly alleviating the power shortage in southern Kazakhstan.

...

The wind power project has created jobs and increased tax revenue for Abilgaziev’s hometown, bringing new opportunities for urban development.

...

The Chinese also paid attention to public welfare, he said, adding that they have donated emergency vehicles to local hospitals, helped the disabled improve their living conditions, and contributed to the renovation of parks, among other contributions.

...

Talking about the prospect of green energy cooperation between China and Central Asia, Abilgaziev said he was confident that the sky will be bluer, the water cleaner and that human beings will live on a more beautiful Earth in the future (China Daily Global, 2023).

Secondly, the bank and its affiliated knowledge-production institutions actively frame the energy transition as an technical, urgent, and necessary process, essential for assisting borrowing countries in moving away from traditional economic structures, energy systems, and climate vulnerabilities. This framing not only reinforces the inevitability of transition but also positions the bank as a crucial facilitator of progress. For instance, in its 2021 Sustainable Development Bonds Impact Report, the bank confidently asserts:

The power industry is a key factor in Kazakhstan’s economic growth. However, Kazakhstan’s electricity generation relies heavily on fossil fuels. Most of Kazakhstan’s electricity is generated in the north of the country, where the coal mines are located. As part of Kazakhstan’s 2050 Strategy initiative, the country aims to diversify its resource-heavy economy and transition to a “Green Economy”. Fortunately, its steppe geography and climatic conditions are favorable for wind power generation: the economic potential of wind energy resources in the country is estimated to be 760 GW,⁷ which is about 35 times that of the national grid capacity in 2019.⁸ The government has set a goal for the

share of electricity production by solar and wind to reach 3% by 2020 and 10% by 2030, an increase from less than 2% as of 2018 (AIIB, 2022b, p.33).

While the claims made by the ‘webs’ present an optimistic narrative, my research around the Zhanatas wind farm reveals a starkly different reality. Rather than fulfilling its promised developmental and environmental benefits, the project has not only failed to deliver its stated objectives but has also deepened the vulnerabilities and marginalisation of the local pastoralist communities. One of the most frequently raised concerns in my conversations with local residents was the often-overlooked visual and auditory impacts of the wind farm.¹⁰⁸ As Chapter 7 shows, KB, whom I encountered within the wind farm while he was grazing his sheep and horses, articulated a more nuanced perspective on the project:

Of course, these changes are fine—if you only stay here for an afternoon, or, three days maximum? Come closer and stay for a while, you’ll get tired of these columns [turbines].¹⁰⁹

Even more concerning is that the technocratisation of the project actively suppresses discussions about its impacts on local livelihoods and traditional modes of production. By framing the project as an unquestionable necessity for energy transition, it becomes increasingly difficult for affected communities to voice their grievances or challenge its consequences. We might learn about it from my conversation with one of the herdsmen:

Author: Have you talked to anyone about this problem?

Herdsmen: Not my land now. I do not think it’ll work.

(Minutes later)

Herdsmen: The government is on their [ZWPS] side. We are on this side [making gesture].¹¹⁰

In critical development literature, states have long been examined as key actors in mobilising ‘development’ narratives to justify the expansion of their power (Escobar, 1991; Ferguson, 1990; Wade, 2002). In the context of climate change and energy transition, a growing body of research has also highlighted the role of states in organising and facilitating exploitative projects (Andreucci et al., 2023; Hu, 2023; Ulloa, 2023). My findings extend this discussion

¹⁰⁸ Interviews, 4 households around the wind farm, Zhanatas Wind Farm, from May to June 2024.

¹⁰⁹ Interview, middle-aged Kazakh pastoralist, Zhanatas Wind Farm, 1 June 2024. Also used in Chapter 7.

¹¹⁰ Interview, pastoralist farmer, Turkestan Village, 28 April 2024.

by introducing another critical dimension—the involvement of non-state and quasi-state actors, often operating as ‘development’ (Escobar, 1995), ‘science’ (Mitchell, 2002), or even ‘justice’ (Avila et al., 2022; Sud, 2025). Labelled as ‘green’ and acting assertively, they can play a significant role in enabling, sustaining, and even expanding contemporary forms of exploitation, alongside powerful states.

8.3 Conclusion

My conclusions in this Chapter are simple yet significant: the depoliticising effects of MDBs are frequently overlooked, but their subtlety does not mean they are not there. By ‘depoliticising’, I mean that MDBs—as exemplified by AIIB and its Zhanatas project—consistently frame inherently contested and politically charged issues, such as climate change and green energy transitions, as technical, neutral, and inevitable solutions. This depoliticisation involves three interrelated processes: (1) the downplaying of existing ecological and social values in targeted landscapes; (2) the strategic mobilisation of climate crises to generate new investment opportunities; and (3) the use of green discourses to legitimise profit-oriented practices. Collectively, these processes allow MDBs to effectively suppress local voices, minimise political contestation, and conceal fundamental conflicts over resource control, environmental justice, and competing visions of development, as vividly illustrated by my empirical analysis in Chapter 7.

My analysis in this Chapter shows that although AIIB and its flagship Zhanatas project represent a single case, a critical interrogation of their details provides essential insights into broader patterns and structures of MDB depoliticisation. As demonstrated throughout this Chapter, even the newest MDBs operating under contemporary climate and energy mandates replicate longstanding institutional behaviours that transform inherently political choices into seemingly neutral, technical solutions. The Zhanatas case reveals how climate and green energy investments, despite their positive rhetorical framing, actively obscure the uneven distribution of benefits and burdens, marginalise local ecological knowledge, and systematically silence the concerns raised by affected pastoralist communities. These insights underscore that MDBs’ depoliticising tendencies are neither exceptional nor accidental; rather, they are structurally embedded within their institutional design, operational logic, and broader political strategies.

More critically, the theorisation developed in this Chapter suggests that while the thematic focus of MDB agendas may evolve—from ‘growth’ to ‘governance’, from ‘environment’ to the current focus on ‘climate’—the underlying logic of depoliticisation remains consistent. Across diverse historical and thematic contexts, MDBs—whether established institutions such as the US-led WB, or newer entities like the China-led AIIB—consistently uphold the ideological stance that their interventions are neutral, apolitical, necessary, and universally beneficial. This framing carries particular significance in the era of climate action, where urgent ecological crises are used to legitimise extensive financial and infrastructural interventions, often reinforcing existing power hierarchies (Dunlap & Arce, 2022; Zografos & Martínez-Alier, 2009). By highlighting these enduring consistencies, this Chapter challenges the assumption that new climate mandates necessarily represent a fundamental departure from previous practices. Instead, my analysis underscores how MDB interventions continue to perpetuate existing inequalities and power asymmetries by systematically obscuring the inherently political nature of their work.

At the same time, it is important to be clear about the scope and limits of the claims advanced in this Chapter. While the Zhanatas project offers an analytically revealing window into how MDB-led green projects operate in practice, it does not provide a so called ‘comprehensive’ account of all AIIB projects, nor does it support general claims about the behaviour of all MDBs across sectors and regions. Typically, the insights might speak better to a group of new MDBs, such as NDB. The analysis developed here is therefore not intended to establish universal patterns or causal regularities. Rather, it identifies the mechanisms that emerge through close engagement with a specific case, and that may help to illuminate similar dynamics elsewhere. In this sense, I would argue that the contribution of the Chapter lies in analytical insight rather than empirical exhaustiveness. In other words, this Chapter suggests how Ferguson’s (1990) ‘anti-politics machine’ might operate in the sphere of climate finance while not claiming that these dynamics unfold across all contexts.

This Chapter thus makes direct contributions to ongoing scholarly debates within both the MDB literature and critical development studies. It builds on critical development theory that recognises the inherently political nature of development interventions, such by Ferguson (1990), extending it to the increasingly central domain of climate finance and green energy transition. Specifically, this Chapter responds to recent calls in critical scholarship for deeper analyses of how technocratic framings obscure unequal social relations, silence local

contestation, and reproduce global asymmetries. By empirically grounding these theoretical insights in the case of AIIB and Zhanatas, this analysis also demonstrates how MDBs' claims to neutrality are actively produced and sustained through institutional practices that systematically limit political contestation and democratic accountability.

The next Chapter extends and deepens these conclusions by investigating how the depoliticising effects of MDBs, exemplified by AIIB, become even more pronounced when harnessed by the strategic agendas of an emerging global power. Chapter 9 turns explicitly to China, examining how the depoliticising strategies identified in this Chapter serve not only MDBs themselves but also China's broader geopolitical interests. It illustrates how AIIB, when combined with China's substantial diplomatic influence, financial capacity, and technological resources, becomes a powerful institutional vehicle for the global expansion of Chinese influence.

Chapter 9 AIIB and China's Global Reach Architecture

While Chapter 8 theorises the depoliticising effects of MDBs through the case of AIIB and its Zhanatas project, this Chapter moves a step further to theorise China's role as the critical actor operating behind the scenes. Once again, I use AIIB as both an analytical lens and a significant empirical case to characterise a distinctly Chinese model of global engagement.

The empirical core of the thesis—Chapters 4 to 7—reveals a range of dispersed yet significant elements that shaped the Zhanatas project. The project was imaginable, fundable, and implementable firstly because it was framed as a 'climate', 'energy', and 'green' initiative. These concepts were not merely rhetorical. They were translated into material outcomes—investment, construction, and operation—through the involvement of key actors, including 'AIIB', 'CPID', and various 'Chinese ministries'. Even more crucially, these actors were able to coordinate with one another largely through 'Beijing's diplomacy', 'ICBC's capital' and 'CPID's technological expertise', and most importantly, AIIB's green agenda. Indeed, a green energy project could materialise in a foreign state like Kazakhstan only through the convergence of these interlinked elements.

This raises several critical questions: What, in essence, are these categories—'climate', 'AIIB', or 'ICBC money'? What roles do they play in facilitating China's global reach? And how do they contribute to China's expanding influence, not only in Kazakhstan but also at regional and global levels?

In this Chapter, I analyse China's use of AIIB as a vehicle for projecting global influence. I argue that the scattered empirical findings of previous Chapters can be synthesised into three interrelated components: (1) notions, (2) institutions, and (2) resources. Specifically, in sectors such as green energy and climate finance, conceptual notions—like 'green'—allow China to align itself with dominant development discourses. Institutions such as AIIB translate these notions into concrete policies and initiatives. Yet it is China's mobilisation of financial and technical resources that ultimately enables these projects to take shape and sustain influence on the ground.

Taking into account the discussions in Section 2.3 that 'development' has consequences and

‘development’ can serve dominant power, I then further argue that China’s development agendas, such as its promotion of a ‘green’ agenda, should be approached with greater critical scrutiny. Through what I will term the ‘notion–institution–resource’ model in this Chapter, China has succeeded in projecting influence into regions that its state apparatus alone might not have reached. Even when development goals are genuinely pursued—for instance, in the construction of a wind farm—such development agendas simultaneously advance China’s strategic geopolitical interests on the ground.

Notably, the arguments developed in this Chapter speak to the literature on China’s global reach, particularly in relation to the BRI. Regarding debates on China’s global reach, the Chapter reinforces and extends the view that China’s international influence is fragmented, decentralised, and often commercially implemented rather than centrally orchestrated by the state.

Section 9.1 characterises China’s use of AIIB. Drawing on both fieldwork and publicly available data, it identifies three interrelated factors underpinning China’s global reach: (1) notions, (2) institutions, and (3) resources. I refer to this as the ‘notion–institution–resource’ model.

Section 9.2 further explores how this model is mobilised and the effects it produces. Engaging with critical development literature and social science work on ‘development’, I show how the interplay of these three factors enables China to extend its influence into regions that its formal state apparatus might not otherwise reach.

Section 9.3 concludes the Chapter by summarising its core arguments and reflecting on how the findings contribute to the broader themes of the thesis. It also outlines how these insights engage with and extend existing literature.

9.1 China’s Global Reach

For its MDB peers and investors, AIIB has made concerted efforts to distance itself from China. In its official narrative, the bank presents itself as ‘a multilateral development bank focused on developing Asia, but with members from all over the world’ (AIIB, 2025a). Operationally, it has worked to establish its credentials through cooperation with other MDBs and national

development assistance agencies, aligning with established international standards and practices (AIIB, 2024a). In terms of investment allocation, the bank has also expanded both geographically and sectorally. Taken at face value, AIIB appears to be a technical, professional, and apolitical development institution.

However, as Chapter 4 demonstrates, the evidence suggests otherwise. AIIB should be understood also as an instrument of China's global influence, despite its claims of being 'multilateral' and 'developmental'. Even before its official launch in 2016, the bank was designed to advance China's financial, diplomatic, and political interests (Cheng, 2015). During its 'green turn' around 2019, AIIB continued to align closely with the priorities of its founding country and major shareholders. As Chapters 6 and 7 show, even when examining the bank's ongoing investments on the ground, one can still trace a strong connection between AIIB and China.

AIIB thus offers a valuable lens through which to understand China's global reach over the past decade. Like other MDBs, AIIB reflects the interests and ambitions of its founding state (Clark & Dolan, 2021; Kilby, 2006). Critical development studies have long examined how the World Bank has served US interests (Agostino, 2008; Fox & Brown, 1998; Wade, 2002). More recently, attention has turned to new MDBs such as AIIB and NDB, revealing how these institutions reflect the norms, approaches, and limitations of their shareholders (Güngen, 2023; Humphrey & Michaelowa, 2013). In this Section, I focus specifically on AIIB as a way to interrogate China's expanding global presence over the past decade.

In this Section, I identify the 'notion–institution–resource' model as a framework for understanding China's global reach over the past decade. Drawing on the case of AIIB, I argue that China's influence in various sectors—particularly in green energy and climate—can be unpacked through three interrelated dimensions: (1) notions, (2) institutions, and (3) resources. Notions refer to the discursive frameworks and normative claims, such as 'green' or 'infrastructure', that allow China to align with and shape dominant development narratives. Institutions denote the organisational mechanisms, such as AIIB, that formalise these notions into operational policies. Resources refer to the financial, technical, and material capacities that China leverages to implement projects and secure influence on the ground. Taken together, this model provides a useful lens through which to analyse how China's reach is enacted, mediated, and consolidated in development practice.

Specifically, in sectors such as green energy and climate finance, discursive notions, such as ‘green’, allow China to resonate with prevailing development priorities and values. Institutions like AIIB serve to translate these normative ideas into policy instruments and project pipelines. Yet it is ultimately China’s resource provision—through capital, infrastructure, and expertise—that sustains and expands its influence, particularly in contexts where its formal state apparatus may face limitations or resistance. Through this model, I show how China’s global expansion is not simply state-driven, but emerges from the interplay of discourse, institutional architecture, and material capacity.

This argument speaks to a growing body of literature on China’s global reach, particularly in relation to the BRI. The notion of a fragmented and decentralised Chinese state is well established in scholarship on Chinese politics, from the concept of ‘fragmented authoritarianism’ in the 1980s (Lieberthal & Lampton, 1992) to more recent accounts of entrepreneurial bureaucracies and policy actors (Mertha, 2009). My analysis contributes to this debate by demonstrating how China’s influence, even when deployed through institutions like AIIB, remains diffuse and networked rather than tightly orchestrated. In doing so, it also engages with emerging scholarship that questions the coherence of China’s so-called ‘grand strategy’ and instead highlights the contingent, pragmatic, and multi-actor nature of its global engagements (Jones & Zeng, 2019; Shen & Power, 2017; Ye, 2021).

9.1.1 Notions

Notions refer to the discursive frameworks and normative claims surrounding popular trends in international development. These are often highly abstract terms, such as ‘growth’, ‘development’, ‘infrastructure’, and, as this thesis focuses on, ‘green’ (Wade, 2016a, 2016b). Notions like these allow rising powers such as China to both align with and shape dominant global development narratives. As shown in Chapter 5, when adopted and mobilised, a well-chosen notion, such as ‘green’, can potentially legitimise a new actor’s presence and expansion. These discursive tools enable actors to frame their participation as not only necessary, but also morally imperative. Through the invocation of such notions, a previously marginalised or controversial actor can reposition itself as central, responsible, and even essential to the future of global development.

The connection between China's development discourse and AIIB's founding mandate has been evident from the outset. When AIIB was established in 2016, the dominant notion in Asia's development finance landscape was 'infrastructure'. According to the World Bank, 'South Asia needs to invest up to USD2.5 trillion to bridge its infrastructure gap over the next ten years' (World Bank, 2014). Similarly, ADB estimated that 'developing Asia will need to invest USD 1.7 trillion per year in infrastructure until 2030 to maintain its growth momentum, tackle poverty, and respond to climate change' (ADB, 2017). In this context, AIIB was presented as a solution to help close the region's infrastructure financing gap. China's official discourse—such as statements from the Ministry of Foreign Affairs—also reveals the alignment between China's strategic priorities and this broader regional narrative.

First and foremost, AIIB meets the great demand of market and will fill in the gap left by existing institutions, and so is widely considered a promising prospect. According to the Asian Development Bank, Asia will face a huge capital shortfall in the next 10 years and to maintain current growth, at least \$8 trillion needs to be spent on infrastructure. Yet the exiting multilateral institutions can only provide very limited financial support to the development of infrastructure and private sectors are reluctant to take on in this area because of the huge amount of capital required, long period of the project and uncertainty of the return. As a specialized platform for infrastructure investment and finance, AIIB is to attract capital in and out of Asian countries including private Sections, share interests and risk, and cooperate with existing multilateral institutions (MFA of PRC, 2015).

However, for both China and AIIB, one key challenge with notions is that they are inherently fluid and subject to change. When infrastructure was the dominant development discourse, AIIB embraced it—not only as a guiding principle, but as part of its institutional identity, embedding it into the very name of the bank (AIIB, 2024d). However, as development priorities shifted globally, AIIB faced pressure to adapt. For AIIB's Chinese president, the goal has always been for the bank to follow prevailing global trends. In this context, the only viable strategy was to revise the bank's identity. Around 2019, AIIB launched a Corporate Strategy and began rebranding itself around the notion of green, placing greater emphasis on climate finance (AIIB, 2024b).

Now, if we pay close attention to the broader geopolitical context, we can see that this shift closely aligns with China's own repositioning in global development discourse. While China

has been participating in international climate negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) since the early 1990s, a major turning point came on 22 September 2020. In a surprise announcement, President Xi Jinping declared that China would ‘scale up its NDC and aim to have CO₂ emissions peak before 2030 and achieve carbon neutrality before 2060’. These so-called “30–60 goals” (or dual-carbon goals in Chinese policy discourse) marked a significant shift. At the UN Climate Ambition Summit in 2020, Xi further committed to ‘adopt more vigorous policies and measures’, including reducing CO₂ intensity by over 65% below 2005 levels, increasing the share of non-fossil fuels in primary energy to around 25%, and expanding forest stock volume by 6 billion cubic metres (a 46% increase) (Prater, 2023). As my Chapter 5 shows, this turning point in China’s global narrative also reinforced AIIB’s transition toward climate finance and green development.

The case of AIIB then provides a valuable window into how China flexibly mobilises notions to reposition itself within the global development landscape and facilitate its outreach. First, rather than imposing a fixed ideological model, China has demonstrated a capacity to selectively adopt and deploy dominant international discourses, such as ‘infrastructure’ and, more recently, ‘green’, to legitimate its growing presence in global governance. These notions function as entry points: they allow China to align with widely accepted development priorities, while subtly advancing its own political and economic interests through institutions like AIIB. What AIIB reveals is that notions are not simply rhetorical tools, but powerful discursive resources that enable China to transform its role from a peripheral or contested actor into a central, even necessary one. At the time of the bank’s founding, infrastructure was the dominant narrative in development finance. By building AIIB around this notion, China was able to frame the bank not as a challenge to the existing order, but as a constructive response to an acknowledged global need. The use of infrastructure discourse enabled AIIB to secure legitimacy, attract broad membership—, many European countries, and present itself as a professional, technical, and apolitical institution.

Second, as the international development agenda shifted toward climate, China adapted accordingly. AIIB’s shift to ‘green’ around 2019–2020 demonstrates China’s capacity to follow and shape emerging notions. While climate action is now a globally dominant priority, it also serves China’s interest to reframe its role as a responsible stakeholder and climate leader. By embedding this notion into AIIB’s strategy and operations, China extends its influence through a discourse that is both legitimate and morally resonant. The case of AIIB shows how the

mobilisation of notions enables China to mask geopolitical ambition within the language of global public goods (Cai, 2018; Shen & Power, 2017).

Here, AIIB illustrates how China's global reach is not only about funding projects or building infrastructure, but also about navigating and shaping the normative terrain of development. Notions such as 'infrastructure' and 'green' are part of the political grammar through which China claims legitimacy, constructs authority, and redefines its global identity. In this way, AIIB does not just implement development finance—it performs and produces the very ideas that make China's expanding role thinkable, acceptable, and even desirable to others.

9.1.2 Institutions

While notions are typically broad, abstract, and often vague, they are powerful precisely because they are adaptable and resonant. However, they are not actionable on their own. It is through institutions that these discursive notions are translated into concrete policy instruments and project pipelines (Dunlap et al., 2024; Escobar, 1991). In China's global development strategy, China-led and China-backed institutions form the second key component enabling its international reach. These institutions do the critical work of operationalising abstract ideas, such as 'green' or 'infrastructure', into development frameworks, investments, and diplomatic engagement.

One of the most prominent institutional developments in recent years was the establishment of the China International Development Cooperation Agency (CIDCA) in 2018. As a ministry-level agency, CIDCA was created to better coordinate and advance China's commercial and foreign policy interests through foreign aid. According to CIDCA, its mandate includes 'formulating strategic guidelines, plans, and policies for foreign aid; offering advice on major aid-related issues; supporting domestic reforms concerning foreign aid; identifying major programmes; and supervising and evaluating their implementation' (CIDCA, 2025b). This reflects a growing effort to institutionalise and formalise China's development outreach.

Under CIDCA's umbrella are several supporting and supervisory institutions. For example, the Foreign Aid Support Centre provides technical support for the supervision, evaluation, and regulation of aid projects. Like other state-led development agencies such as USAID, the centre is involved in implementation oversight, indicator system design, feasibility studies, policy

research, and international development cooperation (CIDCA, 2025a). It also contributes to the production of knowledge and discourse through foreign aid-related publicity, translation, and services.

A second category of prominent institutions facilitating China's global reach consists of state-led and state-owned enterprises (SOEs). These include both profit-oriented companies, such as CPID and ZWPS, as well as large state-owned financial institutions, most notably the Export-Import Bank of China (China Exim Bank). As discussed in Chapter 6, Chinese industrial SOEs play a critical role in translating and implementing China's development initiatives on the ground. Through their involvement in project construction, engineering, and energy infrastructure, these enterprises give material form to China's development discourse (Shen & Power, 2017; Ye, 2021).

Alongside these enterprises, institutions like the China Development Bank (CDB) and China Exim Bank are central to enabling and sustaining China's outward development push. For instance, functioning as a key policy bank, Exim Bank provides concessional loans, export credits, and other forms of financial support that align with the Chinese state's strategic priorities (ExIm Bank of China, 2025b). Its mandate reflects a distinctly state-oriented character, namely facilitating trade, promoting investment in key sectors, and underwriting risk in overseas markets where Chinese firms operate. Through this role, the bank not only supports individual projects but also structures the financial architecture through which China's influence expands (ExIm Bank of China, 2025b). We might even tell the strong Chinese characteristic from its own official discourse:

The Export-Import Bank of China is a state-funded and state-owned policy bank with the status of an independent legal entity. It is a bank directly under the leadership of the State Council and dedicated to supporting China's foreign trade, investment and international economic cooperation.

With Chinese government's credit support, the bank plays a crucial role in promoting steady economic growth and structural adjustment, supporting foreign trade and the "going global" endeavor. It is committed to reinforcing financial support to key sectors and weak links in the Chinese economy to ensure sustainable and healthy economic and social development.

Its financial support goes to foreign trade, cross-border investment, the Belt and Road Initiative, international industrial capacity and equipment manufacturing cooperation, science and technology, cultural industry, “going global” endeavors of small and medium enterprises, and the building of an open economy (ExIm Bank of China, 2025a).

The third category consists of what has now become increasingly familiar: a group of China-backed MDBs. The most prominent among them is AIIB, which serves as both a symbol and instrument of China’s growing role in global development finance. Alongside AIIB, institutions such as the NDB, jointly established by the BRICS countries but strongly supported by China, also reflect this new institutional layer (Güngen, 2023; Reisen, 2015). While these MDBs present themselves as multilateral and technocratic, they nonetheless reflect the strategic priorities and institutional preferences of their founding members—China, in particular.

These seemingly neutral MDBs enable China’s global reach in several ways. First, they allow China to internationalise its development approach in the name of multilateralism, thereby gaining broader legitimacy and avoiding the political sensitivities often associated with bilateral aid. By operating through MDBs, China can frame its engagement as cooperative and demand-driven, even when it remains closely aligned with its own interests. Second, these banks offer China a platform to shape the rules, standards, and financing practices of global development from within (Gu, 2017; Stephen & Skidmore, 2019)..

Taken together, these three types of institutions form the backbone of how China translates abstract development notions into structured action. While notions give China a way to enter dominant discursive spaces, it is institutions that anchor those ideas into policy, finance, and implementation. Crucially, the institutions do not operate in isolation but are mutually reinforcing (Jones & Zeng, 2019; Jones & Zou, 2017). AIIB, for example, draws rhetorical legitimacy from international climate discourse, financial support from China’s policy banks, and technical capacity from Chinese SOEs. This networked institutional architecture enables China to move fluidly across the domains of norm production, project finance, and on-the-ground implementation, allowing its global reach to be exercised not through a single central authority, but through a decentralised system of actors, each playing a specialised role (Lieberthal & Lampton, 1992; Mertha, 2009).

This Section has shown that China’s global reach cannot be understood simply as a matter of

foreign policy or high-level diplomacy. Instead, it is sustained through a dense interplay of notions and institutions, where the former provides ideological justification and the latter operational capacity. This helps explain how China has extended its influence into diverse geographies and sectors over the past decade—often without appearing overtly dominant or politically intrusive. The notion–institution–resource model, then, offers a way to make sense of China’s development strategy not as a top-down master plan, but as a dynamic and adaptive process, shaped by shifting narratives, institutional design, and strategic resource deployment. In the following Section, I turn to the third component, resources, to examine how China’s provision of capital, technology, and expertise reinforces and consolidates the strategies discussed above.

9.1.3 Resources

With notions and institutions in place, it becomes significantly easier to design and launch development projects on the ground. However, to sustain and operationalise these projects, especially in complex or resistant contexts, what is ultimately required is resources. In practice, it is China’s provision of capital, technology, and expertise that allows its development agenda to take root and expand globally. This resource layer represents the third and final component of the ‘notion–institution–resource’ model, and it plays a critical role in consolidating China’s influence beyond formal state channels.

Although the term ‘resources’ may sound abstract, it is in fact highly tangible in practice. Resources refer directly to the financial, technical, and material capacities that China mobilises to implement projects and establish a presence on the ground. As seen in the Zhanatas case, resources are first and foremost investment capital—in this case, from China-backed MDBs such as AIIB, as well as from Chinese state-owned commercial banks like ICBC. Resources also take the form of technology, often provided by leading Chinese engineering and construction firms, such as CPID and Y, which supply the technical infrastructure for project delivery. Finally, resources are also embedded in expertise, namely the knowledge and skills of technicians, engineers, consultants, and other personnel who carry out project implementation in foreign contexts (Shen & Power, 2017). These actors bring with them not only professional knowledge, but also tacit ways of working that reflect Chinese norms and approaches to development.

First and foremost, resources are financial. China's global development model is underpinned by large-scale investment flows that provide the capital base for infrastructure, energy, and connectivity projects (M. Chen, 2024; Zhao, 2020). This capital comes from a range of sources: policy banks like the China Exim Bank and China Development Bank; state-owned commercial banks such as ICBC and Bank of China; and multilateral lenders like AIIB. Unlike traditional donors who often channel aid through grants or tied loans, Chinese development finance is usually structured around loans, co-financing arrangements, and investment packages (M. Chen, 2024; Gallagher & Yuan, 2017). These financial instruments are not neutral. Instead, they are targeted, strategic, and designed to open or consolidate China's influence in specific sectors and regions. In the case of Zhanatas, for example, AIIB's financing was complemented by funds from ICBC, demonstrating how different arms of the Chinese financial system work in concert to operationalise development agendas abroad.

Second, resources are technological. China's growing strength in industrial technologies, particularly in sectors such as renewable energy, transport, and construction, has become a core pillar of its development offering (Harlan, 2021; Ho, 2006). Through its SOEs and large engineering firms, China exports not just money, but also machines, materials, and technical systems. Wind turbines, solar panels, high-speed rail components, grid integration software, and smart city infrastructure have all become part of China's global development toolkit. These technologies are not simply instruments of implementation; they are also carriers of norms. Chinese equipment comes embedded with Chinese standards, operational logic, and supply chain dependencies. In this way, the export of technology extends Chinese influence not only through infrastructure, but also through the long-term technical and institutional arrangements that shape how infrastructure is maintained and governed (Shen & Power, 2017).

Third, resources are also human expertise. This dimension of China's resource provision has become increasingly important. It includes the technicians, engineers, managers, policy consultants, and development professionals who work across borders to design, implement, and manage projects, as we see in Chapters 6 and 7. These professionals operate within a distinct organisational culture, often informed by China's own developmental experiences and practices (Lin & Wang, 2023). Their presence in foreign contexts brings with it a specific way of understanding timelines, risk, state-business relations, and accountability. In the Zhanatas case, for instance, Chinese experts played key roles in construction and technical support. Their role was not just logistical, but epistemological. They shaped how problems were understood

and solved on the ground. Expertise, then, is not only about skill, but about shaping development itself as a process and experience.

Together, these three dimensions of resources make China's global reach visible. While the West has often framed development as a matter of knowledge transfer or institutional reform, China's approach places emphasis on physical delivery and visible outcomes. Roads, bridges, dams, power plants, fibre-optic networks, and housing complexes become the markers of success. In this model, resources are not the end point but the medium through which influence is made real.

I shall also explain China's resources more critically. As Chapter 2 and 4 shows, China's resource provision is not neutral. It is often offered in contexts where other actors, particularly Western donors or international financial institutions, are either unwilling or unable to invest. Chinese capital, technology, and expertise are frequently welcomed precisely because they come with fewer political conditions, faster timelines, and a promise of delivery. But this apparent pragmatism also brings risks. As Chapters 6 and 7 of this thesis explore, resource provision can entrench dependency, bypass local participation, and mask underlying asymmetries in power (Tornel, 2023; Zografos & Martínez-Alier, 2009). The materiality of China's development presence is thus both a source of strength and a site of contention.

Moreover, the provision of resources enables China to deepen relationships with a broad range of actors—not just national states (like Astana), but also subnational authorities (like the local state of Zhanatas), private contractors, and community leaders. This flexibility allows China to operate in fragmented and decentralised ways. As discussed earlier, China's global reach is not orchestrated from a single command centre; rather, it emerges from the cumulative actions of different institutions and actors, all mobilising resources in pursuit of overlapping, though not always coordinated, goals (Jones & Zeng, 2019; Mertha, 2009; Ye, 2021).

In sum, resources complete the 'notion–institution–resource' model by giving it weight, reach, and durability. They are the means through which China makes development happen—and through which it makes itself matter in the eyes of others. Capital, technology, and expertise not only allow projects to proceed, but also structure the terms on which 'development' is understood and experienced. As we will see in the next Section, however, the mobilisation of these resources is never neutral or uncontested. What they enable can be just as consequential

as what they obscure.

9.2 Hailing Green, Doing Politics

Since 2020—and arguably even earlier—China’s global reach has increasingly been labelled green (M. Chen, 2024; Shen & Power, 2017). This shift is marked by a growing emphasis on climate targets, green energy investments, and sustainability partnerships (Li, 2009). While it is true that China’s expanding presence has contributed to the landscape of global climate action and the energy transition, these green initiatives are never purely technical or environmental. They also carry significant political meanings. As my Chapter 7 shows, even when development goals are genuinely pursued—for instance, through the construction of a wind farm or solar project—such interventions often serve to reinforce China’s broader geopolitical interests. Green agendas, in this sense, function not only as tools of development but also as strategies of influence.

Having outlined the three interrelated components of the ‘notion–institution–resource’ model, I now turn to the core argument: that with the model China has been able to extend its reach into regions and sectors where its formal state apparatus might not have easily accessed. It is precisely through the mobilisation of normative notions, the establishment of specialised institutions, and the provision of resources that China has constructed a more flexible, adaptable mode of global engagement. This model allows China to pursue development goals while simultaneously advancing its strategic interests in ways that are often perceived as apolitical, technical, or even beneficial.

This Section unfolds in two parts. First, I examine the limits of the Chinese state in directly expanding its global reach, particularly in contexts where political sensitivities or governance constraints restrict overt state intervention. These limits highlight why an alternative, more decentralised model has been necessary. Second, I explore the flexibility and strategic utility of the ‘notion–institution–resource’ model in navigating these constraints.

9.2.1 The Limits of the Chinese State

In the past decade, China’s global reach has expanded dramatically across both geography and sector. Chinese actors are now involved in large-scale development projects in Central Asia, Southeast Asia, Sub-Saharan Africa, the Middle East, Latin America, and parts of Europe (Alff,

2016; M. Chen, 2024; Dorian et al., 1997; Shen & Power, 2017). These projects span traditional sectors such as transportation and extractives, but also increasingly include green energy, digital infrastructure, and climate finance (Harlan, 2021). The growing role of China in wind power, solar energy, hydroelectric development, and other low-carbon sectors has allowed it to frame its international engagement in terms of global public goods and sustainable development.

Yet this expansion is not without constraints. Despite the scope of China's global ambition, the Chinese state faces fundamental structural and political limits in how it is able to engage internationally. These limits are especially visible in the implementation of development projects, where the boundaries of the state's direct involvement become more apparent. In this Section, I outline three core limitations that shape the Chinese state's global reach.

First, the state does not, and cannot, directly implement projects (Jones & Zou, 2017; Ye, 2021). While it may sign memoranda of understanding, commit financing, or articulate high-level goals, just as what we see in Chapter 6, the state itself is not an operational actor. Ministries and central agencies may shape policy direction, but they do not construct roads, install solar panels, or operate wind farms. In practice, it is enterprises, banks, contractors, and other intermediaries that carry out the work on the ground. This gap between strategic ambition and practical delivery creates a reliance on actors beyond the state, even when projects are understood as expressions of state interest.

The Chinese state, in this regard, operates more as a coordinator or enabler rather than a direct executor. It is highly centralised in terms of vision, but decentralised in implementation (Mertha, 2009). This institutional configuration means that China's global presence is necessarily mediated through a complex web of state-owned enterprises, policy banks, and affiliated development institutions. These entities may act in alignment with state priorities, but they are not simply extensions of the state. In fact, they operate according to different incentives, with varying degrees of autonomy, commercial logic, and accountability.

Second, many of the sectors into which China is expanding, particularly green energy, operate on commercial terms. The construction and operation of a wind farm or solar plant require not only capital investment, but also feasibility studies, risk assessments, technical expertise, and long-term maintenance plans. These are activities that require de-risking, financial structuring,

and often, co-financing. Such demands exceed the capacities of central state institutions, which are not designed to manage commercial risk or navigate market-based project dynamics (Dunlap et al., 2024; Ye, 2021). The Chinese state lacks the institutional infrastructure to perform these roles directly and therefore cannot act alone.

As I have pointed out in Chapter 7, foreign development contexts often introduce great uncertainty, namely different regulatory regimes, fluctuating currencies, political instability, and social opposition. These conditions make project implementation complex, slow, and contingent—traits that sit uneasily with the image of China as an efficient and goal-driven actor. As a result, the state must work through actors that are equipped to manage risk, negotiate with host country institutions, and respond to local dynamics (Dunlap et al., 2024; Tornel, 2023). Even then, delays, conflicts, and local tensions are common (Avila, 2018; Ulloa, 2023).

Third, there are significant diplomatic and reputational constraints that limit the state's ability to be visibly and directly involved in overseas development projects. China is sensitive to international perceptions of its expanding presence, particularly accusations of the so-called 'neo-colonialism', 'coercive diplomacy', or 'debt trap', promoted by western media and scholarship (Al-Fadhat & Prasetyo, 2024; Yang, 2024). In many regions, direct state intervention may be viewed with suspicion or even provoke backlash. For example, in contexts with strong nationalist sentiment or historical grievances related to foreign control, the overt presence of the Chinese state can undermine local legitimacy and generate political friction (Grydehøj et al., 2021; Lu, 2024).¹¹¹ This reputational risk incentivises the state to distance itself from the frontlines of project delivery.

In addition to public perception, bilateral diplomacy also imposes constraints. Governments may welcome Chinese investment but remain wary of appearing too closely aligned with Beijing.¹¹² In such cases, overt state-led initiatives may generate diplomatic costs, complicate relations with other powers, or entangle local actors in geopolitical tensions. These risks are particularly pronounced in green energy sectors, where environmental legitimacy and community support are often critical to project success (Ulloa, 2023; Zografos & Martínez-Alier, 2009). The involvement of the Chinese state in these sectors can politicise what are often

¹¹¹ This is also the case in Zhanatas, as previous Chapters present.

¹¹² This is very much the case in Kazakhstan. In my fieldwork, most of my interviewees in the green energy industry have expressed the similar concern.

framed as neutral or technical interventions.

These three limits combine to form a broader structural constraint on the Chinese state's global engagement. While China's outward-facing ambitions have expanded significantly, the state apparatus itself remains institutionally constrained in its ability to act directly. This is not a question of will or authority, but of practical limitations. Put simply, the state cannot be everywhere, do everything, or be seen to control every project. These limitations are particularly evident in green energy, where success often depends on technical credibility, local alignment, and the ability to maintain a narrative of neutrality, as shown in Subsection 2.2.1.

These constraints speak to the literature on Chinese development and global governance. Scholars have long noted the fragmented and decentralised nature of China's policy-making and implementation processes (Jones & Zeng, 2019; Jones & Zou, 2017; Shen & Power, 2017; Ye, 2021). The concept of 'fragmented authoritarianism' (Lieberthal and Lampton, 1992) captures how policy is often negotiated across bureaucratic actors, each with their own agendas and incentives. More recent work (e.g. Mertha, 2009) has shown how 'polycentric governance' allows entrepreneurial actors within the Chinese system to pursue policy implementation in relatively autonomous ways. These dynamics do not disappear at China's borders. Rather, they continue to shape how China operates in international development spaces.

In the global context, the state's limitations create both a structural problem and a strategic opening. On one hand, the state's inability to act directly creates gaps between rhetoric and delivery. On the other hand, these same gaps necessitate the use of other actors and channels through which China's interests can be advanced. It is under these circumstances that the Chinese state has increasingly relied on indirect, networked forms of global engagement. This reliance is not a deviation from Chinese strategy, but a necessary response to its own structural constraints. It reflects an understanding that the state cannot, and should not, be the sole vehicle for global engagement (M. Chen, 2024; Grydehøj et al., 2021). Instead, a more distributed model has emerged, one that depends on a constellation of actors capable of implementing projects, managing risk, and navigating diplomatic sensitivities while still serving broader national goals. The result is a form of influence that is mediated, complex, and at times opaque. But it is no less significant.

In the next Section, I turn to this model more explicitly, focusing on how the notion of green

can depoliticise and legitimise China's global reach. If the Chinese state cannot always act directly, then how does it act indirectly? With what implications?

9.2.2 The Flexibility of the Notion-Institution-Resource Model

It has long been understood in social science scholarship and cognate fields that development is not neutral. Far from being a purely technical or benevolent undertaking, 'development' has often served as a vehicle for the projection of power. As scholars such as Ferguson (1990), Escobar (1995), and Mitchell (2002) have shown, development interventions, whether focused on 'infrastructure', 'science', 'environment', or 'climate', have consistently been used by states and dominant actors to reorder territories, restructure societies, and consolidate authority. Development works not only through what it claims to do, namely reduce poverty, expand access, increase efficiency, but also through what it makes invisible, namely politics, resistance, and inequality (Fox & Brown, 1998; Wade, 2002).

From the critical development studies, we might also learn that states have long relied on 'development' to pursue political goals in the name of progress or technical expertise (Dunlap et al., 2024; Dunlap & Arce, 2022; Ferguson, 1990). The shift from building dams to promoting green energy, or from extracting resources to reducing emissions, does not fundamentally alter the instrumental role of development in geopolitical strategy. What changes are the notions that legitimise these interventions. At different historical moments, the dominant development discourse has pivoted—from 'modernisation', to 'structural adjustment', to 'sustainability' and now, increasingly, to 'climate' (Sud, 2025; Sud & Sánchez-Ancochea, 2022). Yet as scholars remind us, the changing surface of development rhetoric often masks a deeper continuity in the ways 'development' is operationalised (Hashimshony Yaffe & Segal-Klein, 2023; Zografos & Martínez-Alier, 2009).

In this light, what is distinctive about China's global reach is not that it does smartly engage in development, but how it does so. The 'notion–institution–resource' model demonstrates a highly adaptable configuration of development power. While the notions may shift, the way in which these notions are paired with institutions and resources remains consistent. It is this interplay, rather than any single actor or initiative, that sustains China's expanding global presence.

This model then allows the Chinese state to manage a range of strategic imperatives

simultaneously. First, it enables the state to remain in the background and offer broad direction while delegating implementation to actors such as state-owned enterprises, development banks, and MDBs like AIIB. In doing so, the state avoids the logistical and reputational burdens of direct intervention, while still shaping the terms of engagement (Lieberthal & Lampton, 1992). Just like what I show in the case of Zhanatas, by standing behind the development apparatus, the state exercises influence without visibility, and direction without overexposure.

Second, this model allows China's global reach to more naturally follow a commercial logic and embeds projects within markets rather than within overt political frameworks. Development, in this arrangement, appears to be driven by professional standards, risk-based assessment, and cost-efficiency (Jones & Zou, 2017; Ye, 2021). The involvement of actors such as AIIB, ZWPS and CPID, or Exim Bank presents projects as technical or economic rather than geopolitical. Even when state interests are deeply embedded, they are obscured by layers of commercial practice and institutional formality. This allows China's engagement to be framed as neutral or market-driven, rather than state-led.

Third, the model functions to reduce diplomatic and reputational risk. By engaging through development banks and companies rather than embassies or ministries, China minimises the chances of being perceived as 'coercive' or 'expansionist'. This is especially important in regions where Chinese influence is viewed with suspicion, or where geopolitical competition is high (Al-Fadhat & Prasetyo, 2024; Lu, 2024; Yang, 2024). The involvement of multilateral institutions, especially those that include non-Chinese stakeholders, also provides an added layer of legitimacy. It becomes more difficult for critics to accuse China of pursuing a purely national agenda when projects are co-financed with European states or implemented under AIIB's climate mandate.¹¹³

In combining these three effects, the 'notion–institution–resource' model has significantly expanded China's global reach. As discussed in the previous Sections, the limitations of the Chinese state necessitate a model that is flexible, distributed, and insulated. The 'notion–institution–resource' framework provides exactly that. It enables China to project its influence into regions and sectors that might otherwise remain inaccessible or politically sensitive. Likely,

¹¹³ As Section 4.2 points out, European shareholders joined AIIB to influence how it would be built. The essential resources AIIB and China can mobilise, typically money for investment, also attract many high-standard European countries.

from Central Asia's energy corridors to Southeast Asia's transport infrastructure and Sub-Saharan Africa's digital economy, the model allows China to participate in—and often shape—development pathways around the world.

More critically, however, the model has the potential to depoliticise China's global presence. By embedding development goals in discourses of 'green', 'multilateralism', and 'growth', it reframes what is ultimately a geopolitical strategy as something else: a climate partnership, a technical cooperation, or a South–South knowledge exchange.¹¹⁴ This is where the insights of Ferguson (1990), Escobar (1995), and Mitchell (2002) remain especially useful. These scholars show how 'development' operates not only through what it builds, but through what it silences (Agrawal, 1995; Fox & Brown, 1998). In the case of China, what is being silenced is the political content of its expansion, namely the way infrastructure aligns with trade corridors, the way climate finance opens energy markets, the way 'green' becomes a justification for investment in strategic industries.

In particular, the notion of green, plays a key depoliticising role. As a normative concept, 'green' is difficult to oppose. When China invests in green energy projects, the assumption is often that such engagement is inherently good—even when local impacts are ambiguous, or when geopolitical motives are present, as we see in Southern Kazakhstan. 'Green' allows China to frame its presence as beneficial and responsible, while obscuring the political decisions involved in choosing project locations, technologies, or partners. As Chapter 6 and 7 show through the case of Zhanatas, green projects may generate environmental benefits, but they also reinforce the authority of local state, national state, and foreign state.

In this way, the 'notion–institution–resource' model is not just a logistical solution to the state's limitations—it is a political technology (Ferguson, 1990). It allows China to pursue national interests in the name of global goods. It turns development into something that appears natural, necessary, and neutral. What matters, then, is not only that China is expanding its influence, but that it is doing so in ways that resist easy identification as geopolitical. The model softens the political edge of expansion by framing it in terms of partnership, sustainability, and expertise.

¹¹⁴ All these three are included in the package of the Zhanatas project, as shown in Section 6.1.

Yet, building on my fieldwork observation, this framing is not just ‘out there’. Instead, it is developed. As we can tell from the statements of the Chinese state media, or sentiments from DN or KT, The Chinese state, through its notions of ‘development’, flexible institutions, and multiple resources, has learned to navigate the global development landscape in ways that make its actions less visible, less contentious, and more acceptable. It has adopted the language of climate responsibility and market efficiency, even as it continues to pursue national objectives. This is not to suggest that China is uniquely deceptive. Rather, it is to show that ‘development’ can be a terrain of politics disguised as pragmatism (Dunlap et al., 2024; Hashimshony Yaffe & Segal-Klein, 2023; Zografos & Martínez-Alier, 2009). Similarly, this is not to say that China is intentionally or strategically using ‘green’ as a guise for its geostrategy. Instead, it is to analytically reveal the often-neglected depoliticising effects of the taken-for-granted notions.

In conclusion, the ‘notion–institution–resource’ model illustrates how China’s global development strategy is not only expansive but flexible. This flexibility does not eliminate the political nature of China’s reach. It merely recasts it. Understanding this dynamic is essential for making sense of China’s role in the contemporary development landscape, and for questioning the assumptions of neutrality and morality that so often accompany discussions of ‘green development’.

9.3 Conclusion

The empirical insights dispersed throughout Chapters 4 to 7 and drawn from my year-long fieldwork can be theorised not only in terms of the depoliticising effects of MDBs but also as constitutive elements of China’s global reach. This Chapter, therefore, uses AIIB as an analytical lens to examine China’s international expansion. Rather than treating AIIB as a standalone institution, I conceptualise it as a window into the evolving architecture of global development and China’s strategic adaptation within this framework. Through a multi-scalar, empirically grounded analysis, this Chapter advances a central theoretical contribution: the ‘notion–institution–resource’ model, which captures how China extends its influence globally through interconnected conceptual, institutional, and material strategies.

The ‘notion–institution–resource’ model posits that China’s global reach is not a linear outcome of state-led ambition but emerges from a decentralised and networked configuration of actors and logics (Jones & Zeng, 2019; Mertha, 2009; Ye, 2021). Drawing on fieldwork and document

analysis, I showed how dominant development notions that align with global agendas, like ‘infrastructure’ and ‘green’, can potentially legitimise China presence. These notions are institutionalised through state-linked entities, MDBs like AIIB, and SOEs, and made material through financial, technological, and human resources. The Zhanatas case illustrates how this diffuse mode of action allows China to operate even in diplomatically constrained contexts, not through command and control but through ideas, institutions, and projects.

In sum, AIIB is not just a bank. It exemplifies how the so-called ‘green development’ is shaped by interlocking ideas, institutions, and resources that blur boundaries between ‘doing politics’ and ‘doing development’. These findings contribute to debates on China’s global strategy. By tracing AIIB from Beijing to Zhanatas, I show that ‘green development’ is a contested terrain—one that must be studied not only through institutional discourse, but through grounded analyses of its local consequences (Mitchell, 2002; Ulloa, 2023).

Here, I also want to be straightforward about the scope of the theoretical model developed in this Chapter. The ‘notion–institution–resource’ model is developed inductively from my empirical engagement with AIIB and the Zhanatas project, and it is therefore grounded in a particular institutional and geographical context. As Section 3.1 clarifies, while I use this case to identify broader dynamics in China’s global reach, I do not claim that the model captures all forms of Chinese overseas engagement, nor that these dynamics operate in the same way across sectors, regions, or development institutions. Instead, I present the model as a ‘heuristic device’. This is a model that helps to ‘make sense of’ how ideas, institutions, and resources interact in this case, and that can be tested, refined, or challenged through further research. Extending this analysis to other MDBs or project contexts would not only strengthen the model’s explanatory power but also clarify its limits. Thus, the contribution of the model lies in opening up a line of inquiry, as Subsection 10.4.2 shows, rather than closing debate about how China’s global influence is exercised.

I shall also point out that as climate finance expands, the risks of financialisation and technocratisation will only intensify. This demands sharper scrutiny of how MDBs build legitimacy, distribute benefits, and silence dissent (Humphrey, 2022; Wade, 2009). It also calls for rethinking what (green) ‘development’ means, who defines it, and who is excluded from its terms.

Chapter 10 Conclusion

This thesis is, so far, the first critical, bottom-up, multi- and interdisciplinary study of AIIB. It examines the bank in the context of climate finance and the green energy transition, and explores the broader implications for the greening of MDBs and China's global reach. I have explained why AIIB is a good case, for MDB studies, for critical development studies, and for China studies, particularly in Chapters 1 and 2. I have then studied AIIB as AIIB. In Chapters 4 and 5, I examine the bank at the institutional level. In Chapters 6 and 7, I turn to the project level. Finally, in Chapters 8 and 9, I use AIIB as a lens to explore wider questions about China and the MDB's green turn.

In this concluding Chapter, I summarise my responses to the three research questions that have guided this thesis. I then set out the key arguments developed throughout the thesis. Following this, I highlight the main contributions of the study to various strands of literature. I conclude by reflecting on the broader implications of my findings and suggesting directions for future research.

10.1 The Answers

In the Introduction, I outlined three interconnected questions at the heart of this critical work. Here I will summarise my answers to those questions.

10.1.1 *RQ1*

- **At the institutional level, how does AIIB approach the notion of 'green' and transform it into actual policy?**

AIIB is a relatively new MDB established by China and jointly governed by its 110 member countries. It raises capital from both shareholder contributions and international financial markets (AIIB, 2024d; Humphrey, 2016). While its formal governance includes an international Board representing countries such as China, Russia, India, Germany, and Korea, the bank's leadership remains firmly anchored in China, with successive Chinese presidents at the helm.

My research finds that AIIB is more complex than a claimed ‘multilateral’ institution. Rather, it was structured to fulfil three main objectives: first, to channel China’s substantial foreign exchange reserves into overseas investments; second, to provide institutional backing for the Chinese BRI; and third, to position itself as a counterweight to the Western-dominated multilateral development finance architecture (M. Chen, 2024; Stephen & Skidmore, 2019). Though it presents itself as a ‘multilateral’ and ‘developmental’ entity, in practice AIIB operates also as a vehicle for China’s broader strategic and diplomatic aims. In this respect, it mirrors other mainstream MDBs like the World Bank, ADB, and EBRD, which also reflect the interests of their founding states (Clark & Dolan, 2021; Kilby, 2013).

AIIB’s green agenda can be understood in three layers. At the most general level, it comprises broad strategic frameworks set out by the bank’s leadership. At a second level, these strategies are supplemented by specific, time-bound targets. Finally, a third layer includes the concrete operational policies designed to support green financing projects. These dynamics are unpacked in Chapter 5. These details are given in Section 5.2.

While established in 2016 as a regional infrastructure bank, AIIB has evolved into a global development institution with a marked focus on climate finance and green energy since 2019. Reorienting a bank’s mandate, especially one as politically sensitive as AIIB, requires subtle forms of institutional navigation, or what has been termed ‘bank-craft’ by my interviewees and scholars (Güngen, 2023; Ray & Kamal, 2019). Unsurprisingly, formulating a coherent green agenda has been a complex process. The fieldwork data also suggests that the bank’s green policy should be seen as a product of this complex process.

Put simply, AIIB’s green policy is produced through a seven-step sequential institutional process rather than a single decision. Strategic framing by the President’s Office and SPB defines the bank’s development direction, which is translated into measurable commitments through target-setting and into operational rules through policy instruments. These rules are reviewed and authorised by the Board of Directors and applied at the project level through screening, due diligence, and supervision, with feedback from implementation feeding into periodic revision. The making of AIIB’s ESF shows how specifically this process is working in practice.

More importantly, despite the growing number of climate-related strategies, targets, and

operational guidelines introduced since 2019, the conceptual basis of AIIB's green agenda remains unclear. Rather than being resolved through policy refinement, this has resulted in a degree of vagueness across the bank's green agenda. As fieldwork data shows in Chapter 5, this vagueness has allowed AIIB to position itself effectively as a 'climate actor' by aligning with prevailing developmental discourse and practice.

I argue that this vagueness is not simply a matter of inconsistency but has direct implications for how projects are justified and selected in practice. Without a clear definition of 'green', a wide range of profitable projects can be framed as environmentally responsible, as illustrated by the Zhanatas case. This framing enables projects to be incorporated into the bank's green portfolio on the basis of 'bankability' and strategic importance, even when their environmental benefits are limited.

10.1.2 RQ2

- **At the local level, how does AIIB implement its green agenda and what on-the-ground effects does it cause?**

To interrogate AIIB's green agenda as it unfolds in practice, I engaged directly with the bank—or, at the very least, closely observed those actively involved in its implementation. My fieldwork unfolded as a year-long, multi-sited study. In Beijing (August 2023–February 2024), I explored how AIIB conceptualises and positions itself as a green financier within the broader MDB ecosystem. In Zhanatas (March 2024–June 2024), I traced how the abstract idea of 'building a wind farm' materialised under the specific conditions of a local development context.

It was only by following a concrete AIIB-funded green project that the nuances and contradictions of the bank's overarching climate agenda became fully legible.

The Zhanatas 100MW Wind Power Plant in southern Kazakhstan stands as AIIB's flagship green infrastructure investment. According to AIIB and its investment partners, the goal was to generate roughly 319 GWh of electricity per year and support Kazakhstan's transition to renewable energy, while also alleviating energy shortages in the country's south (CPID, 2021).

Yet, AIIB does not act alone in shaping and delivering the idea of ‘green’. Instead, it operates within a wider web of state, quasi-state, and non-state actors, many of which are closely linked to China-led or China-supported institutions. As the institutional analysis in Chapters 4 and 5 shows, AIIB can function both as a multilateral lender and as a bank that reflects China’s geopolitical ambitions. This is no less true at the project level, especially in a context like Zhanatas. On the ground, AIIB’s green agenda is translated and adjusted by Chinese actors and ultimately aligned with China’s strategic objectives. Even where interests diverge or conflict, the actions of these actors nonetheless contribute to consolidating AIIB’s climate strategy and eventually advancing the BRI.

I then turn to the on-the-ground effects of AIIB’s green agenda. Drawing on my fieldwork in Zhanatas, Kazakhstan, I argue that AIIB’s green agenda generates both short-term effects and significant long-term consequences. While the immediate effects are largely ecological, social, and economic, the consequences carry significant political and geopolitical implications. The latter, often overlooked by AIIB, are, in my view, even more critical.

In Zhanatas, wind energy is extracted, converted, and commodified as a renewable asset, but the social and ecological costs remain disproportionately borne by the local population and the surrounding ecosystem(s). This means that while modes of energy production are shifting, the structural asymmetries of global resource exchange, as we see in the relationships between local communities, ZWPS, and state(s), remain embedded within the bank’s green investments (Hashimshony Yaffe & Segal-Klein, 2023).

10.1.3 RQ3

- In the long term, to what extent and in what ways does ‘green’ depoliticise the expansion of AIIB and China?

Critical development studies and the broader social science scholarship have long demonstrated that ‘development’ is never a neutral or purely technical endeavour. Rather, it has frequently served as a vehicle for the exercise and consolidation of power. Classic works by anthropologists and development studies scholars such as Ferguson (1990), Escobar (1995), and Mitchell (2002) have shown how development interventions, whether framed around ‘infrastructure’, ‘science’, ‘environment’, or ‘climate’, are often mobilised by states and

dominant actors to reorder space, restructure societies, and extend authority. ‘Development’ operates not only through its stated goals—poverty alleviation, access expansion, or efficiency gains—but also through its silences, particularly around politics, resistance, and inequality (Fox & Brown, 1998; Wade, 2002).

Building on fieldwork data, grounded in the literature, I argue that while ‘green’ has enabled AIIB to engage with mainstream MDBs and promote its expansion, it can also depoliticise highly political issues embedded in the bank’s green projects. This takes place at both the institutional and local levels.

Institutionally, in Beijing, AIIB embedded ‘green’ as a core organisational value and rebranded itself as a climate-focused institution in 2019. By aligning itself with mainstream development and climate finance norms, AIIB has successfully repositioned itself from a regional infrastructure bank into a prominent global development actor.

Locally, in Zhanatas, the flagship project functions as a key foothold for influence. AIIB’s green agenda can sometimes depoliticise highly political issues embedded in the bank’s projects. While the modalities of energy production may be shifting, the deeper structural inequalities underpinning global resource exchange, as evidenced in the relationship of local communities and ZWPS as shown in Chapter 7, remain intact within AIIB’s green investments.

More critically, AIIB is not just a financial institution—it is also a vehicle for China’s broader global reach. Likewise, Zhanatas is not just a project site, but part of a wider network of states, institutions, and actors that together enable and sustain forms of exploitative projects (Dunlap et al., 2024; Tornel, 2023). In this sense, the case of AIIB and its Zhanatas project can speak to the broader greening of MDBs and China global reach.

For a rising power like China, development agendas require closer critical scrutiny. I propose a ‘notion–institution–resource’ framework to analytically understand how China manages and operates its global reach, especially in the areas of climate change and energy transition. Within this framework, AIIB operates alongside a range of other institutions, including the China Development Bank (CDB), the Export–Import Bank of China (Exim Bank), and other China-backed MDBs.

Also, for MDBs, more broadly, the notion of ‘green’ can potentially obscure the exploitative nature of their investments. I argue that even seemingly neutral institutions play a central role in sustaining the infrastructures and networks of exploitative activities. I conceptualise this process as ‘green obfuscation’, which involves three interrelated strategies: (1) the erasure or downplaying of the ecological and social significance of targeted landscapes; (2) the instrumental use of climate crises to generate investment opportunities; and (3) the deployment of green discourse to legitimise exploitative practices.

10.2 Main Arguments

In the Introduction Chapter, I outlined the central aim of this thesis: to critically examine AIIB in the context of climate finance and the green energy transition, and to consider what this reveals about the broader greening of MDBs and China’s global reach.

This concluding Section briefly synthesises the key arguments that emerged from my multi-sited fieldwork on AIIB and its Zhanatas 100 MW Wind Power Plant project in Kazakhstan. These arguments are grouped into three thematic strands: AIIB itself, the greening of MDBs, and China’s global expansion.

I advance two central arguments about AIIB.

First, the notion of ‘green development’ has enabled AIIB to engage with mainstream MDBs and promote its expansion. Institutionally, by aligning with dominant development discourse and practice, the bank has repositioned itself from a regional infrastructure financier to a global development actor.

Second, AIIB’s green agenda produces both short-term project effects and longer-term political consequences. While the immediate effects on affected communities and ecosystems tend to be ecological, social, and economic, the longer-term consequences are more political. While facilitating AIIB’s expansion, the green agenda can also depoliticise highly political issues embedded in the bank’s projects.

I also advance arguments about the greening of MDBs.

MDBs are increasingly turning green (MDB, 2023; Sud, 2025; World Bank, 2025). However,

as this thesis shows, the greening of MDBs is not simply about responding to the climate crisis. It is also about expanding institutional and geopolitical reach.

Building on the MDB literature and critical climate studies, I argue that MDBs can appropriate the notion of ‘green’ and ‘climate crisis’ as a profit-making and power-building opportunity. Development banks not only seek new green investments, they also guarantee and de-risk returns for both states and private investors (Clark & Dolan, 2021; Humphrey, 2017). As development finance shifts into the climate domain, MDBs have rebranded themselves as climate actors. Yet, this transformation risks masking the persistence of extractive logic under a new, greener umbrella.

Taking a more critical view, I argue that even the most seemingly neutral development institutions play a role in sustaining the technologies and networks of exploitation. This occurs through what I call ‘green obfuscation’, a process that (1) downplays the ecological and social value of targeted landscapes, (2) mobilises the climate emergency to create new investment frontiers, and (3) legitimises extractive practices through the language of sustainability. Through this, climate action becomes a financialised and depoliticised enterprise.

Finally, I turn to the broader question of China’s global expansion.

This thesis has shown that China’s reach is not solely driven by state institutions. Rather, it emerges from the dynamic interplay between discourse, institutional forms, and material capacity. I conceptualise this through the ‘notion–institution–resource’ model.

Using the case of AIIB, I argue that China’s influence can be understood through three interconnected dimensions: (1) notions, discursive frames like ‘green’ enable China to align with global development agendas and values; (2) institutions, platforms such as AIIB, CDB, and state-led SOEs serve to operationalise these discourses, translating them into policy frameworks, financing tools, and project pipelines; (3) resources, China’s ability to mobilise capital, infrastructure, and technical expertise allows it to materially realise its ambitions, especially in places where direct state-led engagement may be constrained or resisted.

In short, China’s global reach is not simply imposed from above, but is mediated through soft power, institutional form, and infrastructural presence. AIIB, as both a policy instrument and a

financing platform, exemplifies how China expands its reach.

10.3 Main Contributions

As outlined in the Introduction, this thesis engages with and builds upon three broad strands of scholarship: (1) work on AIIB from IR and MDB studies, with a focus on AIIB's climate strategy; (2) critical development literature that looks at the situated effects of MDB-financed interventions; and (3) social science scholarship on 'development' as a mechanism of authority-making.

Correspondingly, the analysis developed in this thesis extends three distinct academic conversations: MDB research, critical development studies (especially climate and energy literature), and contemporary China studies.

First, in relation to MDB research, focusing on AIIB opens up space to move beyond the established focus on legacy banks like the World Bank and ADB, and instead centre attention on newer institutions such as AIIB and NDB. Existing work has focused overwhelmingly on Northern-founded institutions such as the World Bank and ADB (Wade, 2002; Woods, 2006). By contrast, this thesis foregrounds AIIB, a China-backed institution that has quickly become a central actor in global development finance. It argues that new MDBs should not be treated as peripheral or secondary; they are shaping the future of development, particularly in the realm of climate and infrastructure finance. More than just new sources of capital, they represent new institutional logics (Barrowclough et al., 2021; Güngen, 2023). Adopting a bottom-up approach, this thesis captures the internal frictions, external alignments, and everyday practices that shape and reshape AIIB's green strategy. It shows how 'green' becomes a political language through which the bank navigates contested terrain, geopolitically and on the ground.

Second, the thesis contributes to critical development studies by demonstrating the depoliticising effects of MDBs, especially in the context of climate change and green energy transition. Drawing on fieldwork in Zhanatas, Kazakhstan, it shows that while green energy is produced and capitalised, local communities and ecosystems remain marginalised. More broadly, the thesis argues that 'green' is not a neutral objective but a flexible discourse that enables MDBs to justify expansion, conceal asymmetries, and deflect critique. In doing so, it contributes to critiques of 'development-as-depoliticisation', but reframes this in the context of

energy transitions and climate finance (Chhotray, 2007; Ferguson, 1990; Mitchell, 2002).

Thirdly, this thesis adds to the China studies. While much of the existing work focuses on macro-level shifts or geopolitical framings (Krpec & Wise, 2022; O'Neill, 2014; Peyrouse, 2016; Power et al., 2016; Su, 2012), this thesis empirically shows how China's global influence is enacted and materialised through institutions like AIIB. Rather than taking 'Chinese influence' as a given, it unpacks how it is assembled, negotiated, and sometimes contested. Through what it terms a 'notion–institution–resource' model, the thesis demonstrates how China's reach is extended not only through state actors but also through hybrid forms of development finance. This approach encourages a move beyond static models of state power and towards a more situated analysis of how influence travels, takes root, and becomes infrastructural, echoing emerging studies (Jones & Zou, 2017; Lieberthal & Lampton, 1992; Mertha, 2009; Ye, 2021).

10.4 Implications and Future Research

10.4.1 Implications

By taking a bottom-up approach that links institutional-level developments in Beijing to on-the-ground dynamics in Kazakhstan, the study has generated a set of implications that extend across academic, policy, and institutional domains.

First, the findings challenge the general assumption that MDBs are neutral or purely technical institutions. Instead, they show that MDBs, including newer ones like AIIB, operate within complex geopolitical and ideological landscapes. While AIIB formally presents itself as apolitical, its governance structure, operational strategies, and green agenda are deeply shaped by Chinese statecraft. This reframing opens up space to critique the often-assumed neutrality of development institutions and invites further scrutiny of how power, influence, and strategy are embedded in climate finance (Clark & Dolan, 2021b; Humphrey, 2016; Wade, 2002).

Second, the thesis complicates prevailing narratives around the so-called 'green development'. More specifically, it pushes both scholars and policymakers to rethink about 'climate finance', 'green finance', 'green energy', 'sustainable infrastructure', etc. While AIIB's climate investments are framed in the language of 'green', they also facilitate the bank's expansion. The notion of 'green' is not fixed. It is mobilised, adapted, and at times infused with meanings

to align with institutional goals. This has implications for how we evaluate green financing, particularly in contexts where ecological goals intersect with geopolitical interests (Harlan, 2021).

Third, the research highlights the uneven effects of green development projects at the local level. While global MDBs and national governments often emphasise technical outputs, this thesis foregrounds what is obscured in those metrics, namely marginalisation, exploitation, and extraction. These localised effects should not be viewed as random, but as intrinsic to how MDB-led climate finance operates.

Finally, the conceptual tools developed in the thesis offer a framework for analysing other MDBs and development institutions. Concepts like ‘green obfuscation’ and the ‘notion–institution–resource’ model can be applied beyond AIIB to examine how green narratives are instrumentalised across different contexts, dependent on the specific contexts the researcher is looking into (Dunlap et al., 2024). These tools help to move past normative or celebratory accounts of green finance and instead interrogate the political work such narratives perform.

10.4.2 Limits and Future Studies

This study opens up several directions for future research, both empirical and theoretical. While it centres on AIIB and a single project site in Kazakhstan, its findings resonate with broader trends in development finance, climate action, and global China studies, as mentioned in Chapter 2. Future work can expand, challenge, and deepen the arguments presented here in multiple ways.

One obvious next step is to undertake comparative research across different MDBs, both traditional (e.g., World Bank, ADB, and EBRD) and new (e.g., NDB and AIIB). Such comparisons would allow for a more nuanced understanding of how institutional histories, shareholder structures, and geopolitical alignments shape their respective approaches to climate finance. How does AIIB’s approach to ‘green’ compare to, say, the World Bank’s green agenda, i.e. Climate Change Action Plan? What kinds of exploitative activities are facilitated or resisted in different institutional environments?

This thesis focused on a single site—Zhanatas, Kazakhstan—to trace how AIIB’s climate

agenda is implemented on the ground. But similar case studies in other regions (e.g., South Asia, Africa, Latin America) could shed light on the differentiated ways in which MDB-led green projects are experienced. Key questions will include: how do local political ecologies, land regimes, and governance structures mediate the impacts of such investments? Are there similar or different patterns of resistance, accommodation, or co-optation that recur across sites (Ulloa, 2023; Zografos & Martínez-Alier, 2009)? Another avenue involves refining how we study large, bureaucratic institutions like MDBs ethnographically. This thesis used multi-sited fieldwork to follow policy, discourse, and material infrastructure across scales. Future work could deepen this approach by incorporating digital ethnography, participatory methods, or archival research to better understand how narratives are crafted, contested, and stabilised over time.

While AIIB is a key institutional vehicle for China's global engagement, it is not the only one. Future work might explore how other China-backed mechanisms, such as policy banks, state-owned enterprises, and BRI projects, operate within and beyond the frame of green development. How do these entities interact with each other? Where do their agendas converge or clash? And what can this tell us about the evolving nature of China's global presence (M. Chen, 2024; Zhao, 2020)?

Finally, this thesis contributes to a growing body of critical scholarship that questions the language and practice of climate change and green energy. Rather than accepting transitions as a purely technical process, it asks: green for whom, at what cost, and on whose terms? By centring questions of power, inequality, and contestation, the thesis re-politicises the terrain of climate finance and green development. Future research can extend this critique—whether by interrogating emerging sectors like geothermal and hydrogen, or by adopting alternative analytical frames such as political ecology. Here, the task ahead is not just to 'green something', but to confront the politics embedded in every promise of 'green'.

Appendix A. Interviews Used in the Thesis

A1. Beijing Fieldwork on AIIB (Anonymised)

Type	Pseudonym	Name	Department	Position
Scholar	A	***	***	Professor
	B	***	***	Associate Professor
	C	***	***	Associate Professor
	D	***	***	Assistant Professor
Leadership	E	***	***	Leadership
	F	***	***	Leadership
	G	***	***	Leadership
	H	***	***	Leadership
Management	I	***	***	High-level Official
	J	***	***	High-level Official
	K	***	***	High-level Official
	L	***	***	High-level Official
Staff	M	***	***	Official
	N	***	***	Official
	O	***	***	Official
	P	***	***	Official
	Q	***	***	Official
	R	***	***	Official
Former Staff	S	***	***	Former Staff
	T	***	***	Former Staff

Interviews were conducted in Beijing, China. Interviews with A, B, L, S, and T were conducted online via Teams or WeChat. To protect the interviewees, anonymisation measures were employed, utilising pseudonyms for certain individuals.

**A2. Zhanatas Fieldwork on the Zhanatas Project
(Anonymised)**

Type	Pseudonym	Name	Location	Occupation
Project-affected Locals	CC	***	Zhanatas Wind Farm	Pastoralist farmer
	KB	***	Zhanatas Wind Farm	Pastoralist farmer
	TB	***	Turkestan Village	Pastoralist farmer
	YM	***	Ushbas Village	Pastoralist farmer
	YP	***	Zhanatas town	Service Industry
	MN	***	Zhanatas town	Driver
	MD	***	Zhanatas town	Private Business
Project Managers and Operators	NS	***	Zhanatas Wind Farm	Project technician
	MY	***	Zhanatas Wind Farm	Project technician
	LJ	***	Zhanatas Wind Farm	Project technician
	DR	***	Zhanatas Wind Farm	Project technician
	TP	***	Zhanatas Wind Farm	Project technician
	OM	***	Zhanatas Wind Farm	Project technician
	YZ	***	Zhanatas Wind Farm	Project technician
	XA	***	Almaty, Kazakhstan and Zhanatas Wind Farm	Leadership of ZWPS
	DN	***	Almaty, Kazakhstan and Zhanatas Wind Farm	Leadership of ZWPS
	KT	***	Almaty, Kazakhstan	Leadership of ZWPS
	NM	***	Almaty, Kazakhstan, Zhanatas Wind Farm, and Online	Leadership of ZWPS
Officials	QJ	***	Zhanatas Town	Official
	BJ	***	Zhanatas Town and Project site	Official
	WM	***	Online	Official
NGOs	GC	***	Almaty, Kazakhstan	NGO staff
	GQ	***	Online	NGO staff
Intellectual	PS	***	Almaty, Kazakhstan	Professor
	SL	***	Almaty, Kazakhstan	Professor

To protect the interviewees, anonymisation measures were employed, utilising pseudonyms for certain individuals.

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