

AIIB Annual Meeting 2025

Euro-Area Constituency Member Countries' Written Statement on behalf of Austria, Belgium, Croatia, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Portugal and Spain.

Mr. Chairman of the Board of Governors, President Jin, Honorable Governors, Representatives of Member States, Ladies and Gentlemen,

We wish to express our appreciation to the People's Republic of China for hosting the 2025 Annual Meeting of the Asian Infrastructure Investment Bank. We are grateful to be celebrating AIIB's 10-Year Anniversary in Beijing.

We are deeply concerned with the immense human suffering and the adverse impact of wars and conflicts around the world. The conflict in the Middle East has taken a terrible toll on the region. Our constituency reiterates that Russia's unprovoked and unjustified military aggression against Ukraine grossly violates international law, and the war continues to challenge global security, stability and prosperity and the global economy.

We stress the importance of multilateral cooperation. Multilateralism contributes to prosperity across the globe, and is at risk because of current and emerging geopolitical and trade tensions.

We commend management for the diligent efforts to augment the sound international reputation of AIIB as reflected in the narrowing of benchmark spreads in capital markets. Higher spreads imply higher refinancing costs for the bank and higher prices for its clients. We therefore urge the Bank to safeguard current achievements, particularly to continue to act in accordance with its multilateral spirit, to further strengthen its position in the MDB system and to manage risks as it has successfully done over the past 10 years.

AIIB's 10-year Anniversary

We commend the AIIB for playing a vital role in providing sustainable infrastructure solutions in Asia. Over the past 10 years the Bank has contributed to closing the investment gap for infrastructural needs in the region by using its financial and institutional leverage. We continue to support AIIB in its pursuit of its thematic priorities of green infrastructure, private capital mobilization and

technology-enabled infrastructure in Asia in which the Bank should firmly establish added value to the benefit of its clients. We trust that the Bank, at this stage of its development, can scale up its impact by building on its experience in the infrastructure sector. Its success and reputation rely on delivering high-quality projects, including robust due diligence, monitoring and evaluation. We call on AIIB to continue to adhere to its forward leaning and innovative approach and to the highest social and environmental standards.

Our constituency would like to thank the outgoing President, Mr. Jin Lique, for building the world's newest MDB. Under his leadership AIIB has positioned itself firmly in the MDB system as an innovative and cooperative financial institution. We see opportunity for AIIB to continue building on this legacy and to enhance the Bank's involvement in the international financial architecture, particularly responding to international calls for scaling up private capital mobilization and strengthening reporting on development outcomes. AIIB is well positioned to increase its ambition in these areas and should continue work to implement relevant recommendations of the G20 Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks and mutual recognition of policies and standards among MDBs. Ensuring the outcomes of the review of the Project-Affected People's Mechanism align with practices of peer institutions is a critical result in this regard.

New President

The election of a new President marks a milestone in the history of the AIIB. We look forward to continuing our close collaboration with AIIB under the new President. We are confident that the new President will safeguard and further promote the multilateral foundation of this institution, work in an open and consensus-oriented way with all shareholders, and diligently navigate the Bank through uncertain times of geopolitical turbulence and volatile markets. We strongly call on the new President to continue strengthening AIIB's engagement in the MDB system and AIIB's ambition on climate finance and private capital mobilization. We encourage the new President to continue innovating within AIIB's development mandate, while strengthening the division of labor and complementarity with peer MDBs. We urge the new President to be a leading example in fostering an open, diverse and inclusive working culture in the Bank.

Climate finance & green infrastructure

We commend the Bank for achieving its climate finance target and reconfirming its ambition through the updated Corporate Strategy. Given its green pedigree and experience in providing green infrastructure, we expect AIIB to be a frontrunner and show ambition in this regard. Considering the persistent needs of countries amidst the intensifying climate crisis, we encourage the Bank to strengthen its efforts in providing climate adaptation finance. We expect the Bank to adopt the appropriate instruments and policies that support filling this specific green resilience infrastructure gap, while for climate mitigation further boosting private investor market participation. We call on AIIB to cooperate with peer MDBs to strengthen climate financing methodologies and reporting and Paris Alignment principles. To avoid any reputational and climate related risks, we encourage AIIB apply a strict implementation of these methodologies in its own operations. Additionally, we look forward to AIIB enhancing its staff capacity to track and monitor on climate outcomes in its own operations and respond to clients demands and needs.

Finance & Operations

We commend the Bank for its strong financial performance. We note the Bank has grown its investment portfolio while maintaining a steady source of income from its treasury operations thereby navigating volatile markets. Being conscious of challenges in the next 10 years we encourage the Bank to continue focusing on financial sustainability (including safeguarding the Triple A-rating) through applying sound banking principles and efficient use of AIIB's budget. The Bank's finance and operations, and governance should be seen as corresponding vessels, with the Bank's sound financial performance supporting its governance framework and allowing delivering of its sectoral and regional mandate.

We strongly encourage AIIB to increase its development impact, particularly when it comes to serving regional members most in need. In this regard, we welcome management's commitment to exploring and discussing with the Board possibilities of using part of the (retained) earnings to support AIIB low-income members in a targeted, transparent and efficient way, while maintaining the financial sustainability of the Bank. We look forward to discussing concrete options and finding effective solutions over the course of next year. We urge the

Bank to make the best use of funds now available for project preparation and interest buy-downs.

We encourage the Bank to further develop its capacity to originate projects and ensure high quality projects at entry, including by providing support to the upstream phases of projects, as its oversight function during their implementation, to safeguard the highest standards. Furthermore, we call for a strong commitment to transparency and responsible procurement processes to promote quality, efficiency, fairness, ethical conduct, and sustainability. At the same time, we urge a forward-looking implementation of the Gender Action Plan, including the development of a strategy in line with peer MDBs. We encourage the Bank to strengthen its future relevance by embracing digitalization, recognizing its potential to transform infrastructure development across every stage — from planning and execution to procurement and long-term operation and monitoring.

Governance, staff & leadership

The Bank's success is highly dependent on its corporate governance, staff and working culture. We underline the need for maintaining robust Board and management interaction and reinforcing mutual trust and transparency. We urge the Bank to focus on equal opportunity, inclusive working methods and open dialogue with staff. We emphasize the importance of non-payment factors as part of the staff compensation and strongly encourage AIIB to address these factors to ensure a high-quality workspace and improve AIIB's position to attract and retain talents. We urge the Bank to strengthen institutional safeguards for staff and we expect AIIB to offer appropriate accountability mechanisms, including trusted channel for grievances, in line with peer MDBs and other International Organizations.

Lastly, these developments should go hand-in-hand with establishing appropriate incentives for staff which steer toward sustainable development impact objectives and result.