



Strategy on Financing Operations in Nonregional Members

September 26, 2026

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Abbreviations

AIIB	Asian Infrastructure Investment Bank
AoA	Articles of Agreement
GHG	Greenhouse Gas
MDB	Multilateral Development Bank
NRM	Nonregional member

Objective

1. The Strategy on Financing Operations in Nonregional Members (the Strategy) articulates a clear framework to guide the Asian Infrastructure Investment Bank's (AIIB or the Bank) nonregional member (NRM) operations. It is anchored by AIIB's purpose of fostering sustainable economic development and infrastructure connectivity in Asia and is consistent with the Bank's strategic priorities and policies, enabling AIIB to serve all members on an equal basis while preserving the regional centrality of the institution.

Background

2. AIIB's Articles of Agreement (AoA) define AIIB's purpose as fostering sustainable development in Asia. Asia's prosperity is rooted in long histories of open exchange. Over millennia, these exchanges spurred technological innovations in medicine, astronomy, marine navigation, and mathematics, advancing civilizations and raising living standards. In recent decades, Asia's rapid economic growth has again been marked by open exchange, with the region's share of global exports accelerating from 16% in 1980 to 55% in 2023, and intra-regional trade rising from 46% in 1990 to 58% in 2021.¹ Reflecting the interconnectedness of Asia and the world as well as the benefits accrued during these times, AIIB's AoA acknowledge that the Bank may finance any member where such financing benefits Asia's economic development.
3. As the world responds to new geopolitical and risk parameters, global connectedness and diversification are becoming even more critical. Prolonged disruptions of major trade routes in recent years have revealed the vulnerabilities of single-importer dependence for critical commodities and intermediate goods. The COVID-19 pandemic, rising trade tariffs, and large economies' reshoring policies have similarly revealed risks of Asia's overreliance on limited end-markets for exports. The negative downstream financial effects of these trends have been particularly severe for developing Asian and Pacific Island economies.
4. Further, the world faces heightened challenges to climate and health security. 2016-2025 was the hottest decade on record. Additionally, the world is experiencing increased frequency and severity of climate-linked disasters.² Moreover, the COVID-19 pandemic revealed gaps in global preparedness, which contributed to \$16 trillion of economic and productivity losses.³
5. Despite global trade policy divergences, Asian economies have continued to pursue global connectivity and foreign direct investments, as these have various benefits to Asia's growth. First, non-regional economies will expand significantly. By 2050, Africa's population will nearly double,⁴ while both Africa and Latin America will enjoy demographic advantages. Young productive economies with enhanced industrial capacity are likely to grow rapidly, which will enable Asia's firms to realize new business opportunities. Second, improved logistics

¹ The Economist. (2023). [How Asia is reinventing its economic model](#). The Economist.

² UN Environment Programme. (2025). [Emissions Gap Report](#). UNEP.

³ Cutler and Summers (2020). The COVID-19 Pandemic and the \$16 Trillion Virus. National Institutes of Health. 324(15):1495–1496. 10.1001/jama.2020.19759

⁴ African Development Bank. [Human Development](#). African Development Bank.

performance and intraregional connectivity in Africa and Latin America will further boost economic ties with Asia. These will lead to cost efficiencies equal to physical distance reductions.⁵ Finally, as Asian economies pursue new opportunities in advanced technologies, access to critical minerals – 60% of which are produced in nonregional economies⁶ – are more needed than ever to produce and power these technologies. With data centers, electric vehicles, and battery production capacity set to more than double by 2030,⁷ expanded global connectivity will boost the future growth of Asian economies as well.

6. To boost climate and health security, Asia will benefit from global resiliency measures, given the growing interconnectedness among populations and economies through financial, trade and nature systems. Global trade and supply chains, for instance, are particularly sensitive to severe weather events, where disasters in one region could disrupt businesses and lives in other parts of the world. Moreover, large tropical forests such as the Congo Basin and the Amazon regulate greenhouse gas (GHG) emissions and global precipitation patterns, by acting as carbon sinks and atmospheric rivers. Safeguarding these systems will ensure that Asia retains access to clean water, which is critical for food security, energy, and artificial intelligence-related infrastructure.
7. COVID-19 underscored the profound health, social, and economic consequences of pandemics. In an interconnected world, outbreaks can quickly transcend borders and pose significant risks to Asia. Rising antimicrobial resistance and increased human–animal interactions, which heighten the risk of zoonotic spillover, further reinforce the need for action. Despite these risks, investments in pandemic prevention, preparedness, and response remain insufficient in many settings. Strengthening disease surveillance and rapid containment capacities is therefore critical to preventing local outbreaks from escalating into global crises with far-reaching consequences.
8. Other multilateral development banks (MDBs) are also recognizing the shared benefits of increased global connectivity as well as cross-border spillovers from global public goods investments in climate adaptation and global health security. The European Bank for Reconstruction and Development has expanded its geographic footprint to achieve further trade integration with new economies, benefiting existing and new members alike. The World Bank has engaged in recent energy, nature-based, and global health partnerships with the African Development Bank and Inter-American Development Bank, such as through Mission 300, Amazonia Forever, and Gavi-linked initiatives. As AIIB works closely with MDB partners, including through coordinated investments under these initiatives, further strategic alignment is needed.
9. Overall, as AIIB reflects on its strengthened institutional capacity marked by 10 years of operational experience and mature internal systems, the Bank is in a position to serve its

⁵ Arvis et al. (2014). [Connecting to Compete: Trade Logistics in the Global Economy](#). World Bank.

⁶ International Energy Agency. (2025). [Global Critical Minerals Outlook 2025](#). IEA.

⁷ Deloitte (2026). [Powering Asia Pacific's data center boom](#). Deloitte.

expanded member base. An inclusive approach will further contribute to Asia's sustained economic development.

Guiding Principles

10. AIIB's investments in NRMs will be guided by the following principles, reflecting the Bank's purpose, strategic relevance, and role within the broader development finance ecosystem.
11. **Purposeful.** AIIB's purpose, as stated in the AoA, is to foster sustainable economic development and improve infrastructure connectivity in Asia; and promote regional cooperation and partnerships. This purpose guides all Bank activities, including investments in NRMs, and remains the core principle for NRM operations, while preserving the Bank's regional centrality. Similarly, operations in NRMs will be processed under the same policies, directives, and guidance as those applied to operations in regional members. NRM investments will also be aligned with the Bank's Corporate Strategy and thematic priorities, and implemented consistently with relevant sector strategies, acknowledging that such operations may span multiple infrastructure sectors.
12. **Impactful.** While maintaining a client responsive model and inclusiveness to serve all members, AIIB's engagement in NRMs will be guided by a focus on strategic relevance, quality, and impact. NRM investments will be undertaken within clear strategic priorities of connectivity and global public goods, with appropriate frameworks to articulate their additionality and relevance to and benefits for Asia. In addition to project-level impact, NRM operations can generate portfolio level effects, including supporting portfolio growth through diversification and the efficient use of economic capital, when such does not adversely affect the Bank's weighted-average credit rating. Thus, the financing strengthens overall portfolio resilience and supports the Bank's ability to serve regional members.
13. **Collaborative.** In pursuing NRM operations, the Bank will be mindful of how its financing, standards, and institutional strengths can best add value alongside those of other development partners. As part of the broader development finance ecosystem, AIIB will work collaboratively with peer MDBs, development finance institutions, and other development partners through coordinated approaches, including co-financing and coordinated financing, to enhance development impact. Such partnerships will support effective risk-sharing, facilitate institutional learning, and promote cooperative engagement in advancing shared development objectives.

Strategic Priorities

14. The strategic priorities are centered on AIIB's infrastructure mandate and regional centrality. AIIB operations in NRMs that are aligned with one or more of the strategic priorities may be considered eligible for Bank financing as financing under these priorities generate benefits to Asia.
15. **Strategic priority one: Promote sustainable economic development and infrastructure connectivity in Asia.** The Bank may consider investments in NRMs that are aligned with the

Corporate Strategy thematic priority on connectivity and regional cooperation, particularly cross-border connectivity between Asia and the rest of the world. This includes investments that involve the crossing of a physical border; form part of a regional or international network or corridor; or constitute node infrastructure; as well as investments that enhance trade, investment, and financial integration.

Strategic Priority One: Improve Sustainable Economic Development and Infrastructure Connectivity in Asia

Project Example

- Transport infrastructure that is directly connected to Asia (i.e., Trans-Caspian corridor to Europe)
- Transit/logistics projects/upgrade (i.e., highway, rail) on international corridors with mandates to facilitate trade with Asia
- Port projects that boost maritime trade volume between NRMs and Asia
- Cross-border logistics hubs for goods or checkpoints for travelers between NRM and Asia
- Investments in NRM industrial parks hosting Asian tenants or serving Asian markets and investors
- Electricity grids facilitating energy security, access, and green energy trade, to cover ASEAN Power Grid Financing, Mission 300

16. **Strategic priority two: Support global public goods with relevance to Asia.** The Bank may consider investments in NRMs that deliver global public goods with demonstrable relevance to Asia, recognizing that compounding cross-boundary challenges have heightened the importance of such investments for the Bank's regional members. In an interconnected global economy, vulnerabilities in one economy can generate spillover effects for others, such that well designed investments that strengthen resilience and address shared risks can generate nonexcludable, transboundary benefits accruing to Asia. Across the MDB ecosystem, institutions recognize their central role in addressing these challenges and have adopted broad global public goods frameworks that emphasize cross-border spillovers, typically focusing on issues where benefits extend beyond national borders while country-level actions serve as the practical delivery channel.
17. Consistent with this approach and reflecting AIIB's sectoral expertise, the Bank will prioritize investments that address climate change and global health security. Both have high potential to generate significant transboundary benefits for the region. The Bank will apply additional filters to ensure clear linkages and benefits to Asia.
- 17.1. **Climate Change.** For climate change, investments should be in line with members' climate goals and priority climate actions as outlined in key policy documents, such as their Nationally Determined Contributions under the Paris Agreement and National Adaptation Plans under the United Nations Framework Convention on Climate Change.

Mitigation financing activities should address emissions reduction or prevention, renewable energy development or energy saving. *Adaptation financing* should focus on projects that generate resilience co-benefits for wider systems or deliver system-level climate resilience as their key objective. These types of projects are generally characterized as Type 2 or Type 3 adaptation activities under the joint MDB methodology for tracking climate change adaptation finance. Such investments contribute to the achievement of a member's broader national climate agenda and priorities.

- 17.2. **Global Health Security.** Investments should align with AIIB's Health Strategy, specifically Strategic Priority 3: *Safeguarding Health Security Amid Increasing Connectivity*, and aim to improve capacities in pandemic prevention, preparedness, and response. This includes interventions to reduce the likelihood of zoonotic spillovers, maintain readiness for rapidly detecting and managing future outbreaks, and respond to ongoing outbreaks to save lives and limit transmission. Reducing the risk of new pathogens emerging, coupled with effective infectious disease surveillance and containment systems, will protect Asia's health and reduce the potential of devastating social and economic disruptions such as those experienced during the COVID-19 pandemic.

Strategic Priority Two: Support Global Public Goods with Relevance to Asia

Project Example

Climate Mitigation

- Renewable energy capacity and transmission projects, demand-side efficiency management projects
- Urban low-carbon mass rapid transit and electric bus rapid transit systems reducing transport-sector emissions and improving urban mobility

Climate Adaptation

- Climate-vulnerable critical service systems such as water and sanitation infrastructure that enhance climate resilience of utility services and reduce climate-related service disruptions and fiscal stress
- Ecosystem restoration and nature-based adaptation investments that preserve globally significant ecosystem services

Global Health Security

- Establish and equip public health emergency operations centers to enable effective incident management and coordinated outbreak response
- Strengthen public health infrastructure with upgraded medical equipment and strengthened pandemic prevention and control systems to manage surges in the number of patients and improve outbreak response

18. **Strategic priority three: Geographically proximate to and closely economically integrated with Asia.** The Bank may consider investments in NRMs that the Board of Directors considers to be geographically proximate to and closely economically integrated with Asia. Egypt, a nonregional member with territory in Asia, meets this criterion, given its unique geographical location spanning Asia and Africa and its role as a key conduit for international trade between Asia and the West.

Scale and Pace of Operation

19. The AoA does not set an explicit limit on financing to any member, nor is there a direct link between a member's capital share and the volume of Bank financing it receives. Rather, decisions on the Bank's investment program are guided by strategy, client demand, financial and risk policies, and institutional capacity. At the same time, the Bank's capital structure between regional Members and NRMs provides guidance for anchoring expectations and maintaining regional centrality. In addition, demand has been growing from emerging and developing Members, in line with member expectations and aligned to the scope of the Strategy. On this basis, financing in NRMs will not exceed 25% of annual financing approvals. This constitutes a balanced steady-state approach that is not expected to be increased in the future.
20. Financing will be firmly anchored in the Bank's mandate and its Asia-centric focus, as reflected in the Strategy's guiding principles and strategic priorities and will remain client-responsive. Financing to NRMs is expected to grow gradually over time, prioritizing co-financing and taking into account strategy-consistent demand.
21. This approach would reflect the Bank's mandate of serving all members while preserving its regional focus.

Implementation Approach

22. In implementing the Strategy, the Bank will manage its engagements in NRMs in a manner consistent with its purpose, policies, institutional capacity, resources and capital headroom. NRM operations will be holistically integrated into the Bank's strategic priorities, while preserving its regional centrality.
23. As the Bank continues to build experience in NRMs, AIIB will place emphasis on collaborative approaches, including co-financing led by partner institutions, particularly where partner institutions offer complementary expertise, local presence, or established operational platforms. Such approaches will strengthen learning and build operational familiarity, including for first time projects with NRMs. At the same time, the Bank should undertake stand-alone NRM operations where the Bank can demonstrate clear additionality and sufficient capacity to respond to client needs while building the Bank's credibility and brand.
24. The Bank will report on the development of NRM operations to the Board on a regular basis and may undertake periodic stock-takes of such operations to support institutional learning.

24.1. **Regular reporting.** NRM operations will be subject to the Bank's standard monitoring, reporting, and evaluation processes. Regular updates on the development of the NRM portfolio and pipeline, as well as its portfolio level benefit to Asia, will be provided through established reporting channels. Further, the Strategy implementation will consider leveraging existing resources and capacities for efficiency through the annual Business Plan and Budget.

24.2. **Stock-take.** The Bank will undertake a stock-take of the Strategy after two years to assess operational experience and effectiveness of the Strategy.

Results Monitoring Framework

25. AIIB will monitor results from its NRM investments as part of implementation of the Strategy. At the portfolio level, the Bank will apply a small set of indicators to provide an aggregated view of progress, including the size of NRM financing and indicators that can be aggregated that are linked to the strategic priorities and the nature of benefits to Asia.

26. At the project level, the project results monitoring frameworks will include results indicators that demonstrate benefits to Asia, as appropriate to the context and nature of each project, including relevant indicators for improving sustainable economic development and infrastructure connectivity in Asia and contributions to global public goods. Given the cross-sectoral nature of the Strategy, examples of project-specific results indicators are provided rather than a predefined set for aggregation. Where possible, AIIB will seek to report aggregated results based on selected project-level indicators and incorporate them into the portfolio-level result monitoring framework over time.

27. The results monitoring framework is presented in the Annex.

Annex

Results Monitoring Framework

1. Operation size: % of NRM financing, measured using the Bank's prevailing reporting period and financing measures. ⁸		
2. Nature of operations		
Strategic Priority	Portfolio-level Result Indicator	Examples of Project-Specific Results Indicators, Subject to Meaningful Aggregability
Promote sustainable economic development and infrastructure connectivity in Asia	Financing amount and/or % of NRM financing to improve economic development and infrastructure connectivity in Asia	- New or improved freight capacity enabled, with linkage to Asia (tons per year) - Increase in trade volume with Asia enabled by supported infrastructure (tons/year or United States dollar (USD)) - Capacity increase for nodes (number of passengers per year, tons of freight handled per year)Port throughput to/from Asia (20-foot equivalent units)
Support global public goods with relevance to Asia	Financing amount and/or % of NRM financing to support climate mitigation	- Greenhouse gas emission reduction or prevention (tCO₂eq/year) - Renewable power generation capacity installed (MW) - Energy efficiency improvements (MW-hours/year)
	Financing amount and/or % of NRM financing to support climate adaptation	- Utility service disruptions during extreme heat or flood events (number and duration, compared to baseline) - Critical infrastructure and economic assets protected from coastal flooding and storm surge (number of facilities) - Area under climate-resilient agricultural production systems (ha)
	Financing amount and/or % of NRM financing to support global health security	- Reduction of reporting time for priority infectious disease incidents (%) - Percentage of Public Health Emergency Operations Centers (PHEOC) meeting the requirements of the WHO PHEOC Framework (%) - Additional surge treatment capacity established, meeting national standards for outbreak response (number of beds)
Geographically proximate to and closely economically integrated with Asia	Financing amount and/or % of NRM financing to support member(s) geographically proximate to and closely economically integrated with Asia	Follow AIIB's usual results indicators tailored to specifics of a project in Egypt.

⁸ Current reporting period and financing measure follow annual financing approvals. Any future Bank-wide changes to the reporting basis (e.g., to commitment) will be reflected accordingly.