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**2022 Business Plan and Budget  
Summary  
December 2021**

1. The Asian Infrastructure Investment Bank (AIIB or the Bank) launched its [Corporate Strategy \(CS\) for 2021-2030](#) in September 2020. The annual business plan and budget (BPB) serves as a key tool for implementing the CS.
2. **Operating environment.** 2022 is expected to remain a complex and challenging year. Gaps in recovery speeds across and within economy groups have widened. Uncertainties around global economic prospects remain high, with risks to global economic growth mainly to the downside. Policy trade-offs have become more complex, with limited room to maneuver.
3. In this environment, client needs are expected to remain large and varied based mainly on country-specific circumstances. Depending on the path of the pandemic and the state of economic recovery, client demand could range from financing for crisis response and early-stage crisis recovery, to financing for pent-up investments and post-pandemic new normal investments. Furthermore, there will likely be broad-based demand across economies for vaccine financing given its central role in sustained economic recovery, and for green and climate financing given the increasing global commitment to address climate change and achieve Paris Alignment.
4. Given the divergence in recovery speeds across economies, the loosening of travel restrictions has also been uneven across countries, and can be expected to continue into much of 2022.
5. **Principles and focus areas.** Taking into consideration the operating environment, AIIB's CS and current institutional capacity, the Bank will adopt three key principles in 2022.
6. First, AIIB will continue to be responsive to client demand, while remaining focused on its CS priorities. As many of the megatrends accelerated by the pandemic are well aligned with AIIB's four thematic priorities<sup>1</sup>, to the extent possible, the Bank will proactively align its financings with its CS priorities. Notwithstanding this, in the event that significant downside risks materialize in AIIB members, the Bank will be adaptive to client demand, including emergency needs where necessary. The Bank will continue providing financings under its [COVID-19 Crisis Recovery Facility \(Facility\)](#) to meet client demand,

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<sup>1</sup> They are green infrastructure, connectivity and regional cooperation, technology-enabled infrastructure, and private capital mobilization.

subject to further extension of the duration of the Facility for the period beyond April 16, 2022.

7. Second, AIIB will adopt a focused approach to scaling up business activities, ensuring that its institutional capacity, high project standards and financial sustainability are not compromised. Considering the opportunities and challenges in the operating environment, the Bank will focus on five areas in 2022. They are: (a) supporting economic recovery and resilience; (b) advancing green/climate financing and Paris Alignment; (c) strengthening AIIB's client-oriented culture; (d) ensuring high portfolio quality; and (e) bolstering financial sustainability. Table 1 provides a high-level summary of the key objectives for the five focus areas for 2022, mapped to the CS pillars<sup>2</sup> and principles<sup>3</sup> to facilitate CS implementation monitoring. Notwithstanding this, if there is client demand in areas that are aligned with AIIB's CS but are beyond the five focus areas, the Bank will be responsive to these opportunities.

**Table 1: 2022 Focus Areas**

<b>2022 Focus Areas</b>	<b>Key Objectives</b>	<b>CS Alignment</b>
Focus 1: Supporting economic recovery and resilience	<ul style="list-style-type: none"> <li>Respond to client demand in an agile, timely and strategically focused manner.</li> <li>To the extent possible, increasingly use AIIB's regular financing instruments to meet client demand that is aligned with AIIB's four thematic priorities, especially opportunities to strengthen: (a) green infrastructure, connectivity and regional cooperation, and the adoption of technologies in infrastructure given the challenges faced during the pandemic; and (b) private-sector financing.</li> <li>Continue providing Facility financings to meet client demand, subject to further extension of the duration of the Facility for the period beyond April 16, 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Pillar 1—Establishing market position.</li> <li>Pillar 2—Achieving impact at scale.</li> </ul>
Focus 2: Advancing green/climate financing and Paris Alignment	<ul style="list-style-type: none"> <li>Scale up financing of green/climate projects, supported by: (a) replicating existing and developing new financing products; and (b) consistently reinforcing and enhancing green/climate focus in business development and across the project cycle.</li> <li>Build readiness to operationalize Paris Alignment across AIIB's four thematic priorities.</li> <li>Further strengthen AIIB's brand and market positioning as Asia's climate financing partner.</li> </ul>	<ul style="list-style-type: none"> <li>Pillar 1—Establishing market position.</li> <li>Pillar 2—Achieving impact at scale.</li> </ul>

<sup>2</sup> They are establishing market position, achieving impact at scale, adding value along the project cycle, serving a broad range of members, and building the corporate culture.

<sup>3</sup> They are high project standards, financial sustainability and sound banking, and strong multilateral governance and oversight.

2022 Focus Areas	Key Objectives	CS Alignment
Focus 3: Strengthening AIB's client-oriented culture	<ul style="list-style-type: none"> <li>• Develop and implement an action plan in response to the 2021 client feedback results.</li> <li>• Improve the efficiency and strategic effectiveness of client engagements and business development efforts, including by further considering AIB's approach to global presence.</li> <li>• Continue exploring key financing products to support private-sector operations and less developed members.</li> </ul>	<ul style="list-style-type: none"> <li>• Pillar 2—Achieving impact at scale.</li> <li>• Pillar 4—Serving a broad range of members.</li> <li>• Pillar 5—Building the corporate culture.</li> </ul>
Focus 4: Ensuring high portfolio quality	<ul style="list-style-type: none"> <li>• Strengthen implementation monitoring capacity at both the project and portfolio levels.</li> <li>• Reinforce quality at entry, including by ensuring full implementation of the project prioritization and quality (PPQ) frameworks, and increasing use of internal and external financial resources that support project preparation.</li> <li>• Ensure average portfolio credit quality of AIB's investment portfolio remains within AIB's risk appetite.</li> </ul>	<ul style="list-style-type: none"> <li>• Pillar 3—Adding value along the project cycle.</li> <li>• Principle—High project standards.</li> </ul>
Focus 5: Bolstering financial sustainability	<ul style="list-style-type: none"> <li>• Optimize risk-return from the liquidity portfolio, and be open to opportunities that utilize higher risk-bearing capacity in AIB's balance sheet.</li> <li>• Proactively monitor and manage downside risks to impairment provisions.</li> <li>• Further reinforce good budget management and cost control.</li> </ul>	<ul style="list-style-type: none"> <li>• Principle—Financial sustainability and sound banking.</li> </ul>

8. Third, AIB will strive to build its institutional capacity at a pace commensurate with its CS ambitions. The Bank will continue to strengthen its staffing and staff-oriented culture, as well as digital transformation capabilities, to enable the delivery its 2022 Business Plan and the CS, in order to effectively support its members. The Bank will also continue to ensure its office environment is conducive and supportive of staff well-being, in a manner that is consistent with AIB's green core value.
9. AIB will measure its progress through several annual business indicators, which comprise the Corporate Scorecard indicators as set out in the CS and several additional indicators that are more suitable for the areas highlighted for the year. Table 2 provides the projections of the annual business indicators for 2022, structured based on the CS pillars and principles. The projections reflect the Bank's expectations based on currently available information and may be subject to change based on evolving circumstances.

**Table 2: 2022 Projected Annual Business Indicators**

<b>CS Alignment</b>	<b>Projections of Annual Business Indicators for 2022</b>
Pillar 1: Establishing market position	<ul style="list-style-type: none"> <li>• Climate financing*: 41-44% of actual approved financings (ex-Facility).</li> <li>• Cross-border connectivity*: 13-23% of actual approved financings (ex-Facility).</li> </ul>
Pillar 2: Achieving impact at scale	<ul style="list-style-type: none"> <li>• Total capital mobilization*: USD7.4-9.7 billion<sup>1</sup>.</li> <li>• Annual financing approvals*: USD6.0-8.0 billion<sup>2</sup>.</li> <li>• Capital mobilization* (ex-Facility): USD1.4-1.7 billion.</li> <li>• Private-sector projects*: 20-30% of actual financing approvals (ex-Facility).</li> </ul>
Pillar 3: Adding value along the project cycle	<ul style="list-style-type: none"> <li>• Number of projects utilizing internal or external financial resources that support project preparation: 5-10 projects.</li> </ul>
Pillar 5: Building the corporate culture	<ul style="list-style-type: none"> <li>• Headcount: 460-480 staff.</li> <li>• Workforce diversity–Gender*: 40-42% of women professional staff.</li> </ul>
Principle: High project standards	<ul style="list-style-type: none"> <li>• Implementation readiness* (ex-Facility)–sovereign / private sector<sup>3</sup>: 12 months / 9 months.</li> <li>• Annual disbursement for sovereign projects* (ex-Facility): 13-18%.</li> <li>• Share of projects without severe or unresolved issues impacting implementation performance and results*: 80%.</li> </ul>

\* Corporate Scorecard indicator.

<sup>1</sup> Includes AIIB's total financing approvals (regular and Facility), and capital mobilized by AIIB from other private and public sources (ex-Facility).

<sup>2</sup> Inclusive of Facility financings.

<sup>3</sup> As per the CS, private sector financing refers to financing operations defined as nonsovereign-backed financings (NSBF) in other Bank documents and includes financing operations with public entities which are not backed by a sovereign guarantee.

10. **Budget.** An administrative budget of USD212.0 million and a capital budget of USD4.8 million were approved by AIIB's Board of Directors to support implementation of the key focus areas outlined in the 2022 Business Plan and to strengthen institutional capacity required for implementing the Corporate Strategy over the longer term.