



**2023 Business Plan and Budget
Summary
December 2022**

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.** 2023 is expected to be challenging and uncertain with the compound effect of various crises, high inflation, supply chain disruptions, geopolitical conflicts and climate change. With reduced fiscal space and worsening market conditions, many Members require multilateral development bank (MDB) financing for a wider range of needs, but face challenges expanding their infrastructure programs. AIIB is in a strong position to help meet clients' needs as part of the enhanced effort by the MDB community to support sustainable development in these uncertain circumstances.
3. This challenging environment will require the Bank to be responsive and adaptable while continuing to pursue its Corporate Strategy (CS) goals. Public and private sector clients will require a diverse range of support (e.g., for infrastructure, food and energy security, vaccines and other health sector needs, climate change adaptation and mitigation, and economic resilience) depending on each country's circumstances. How AIIB responds to the needs of current and future clients will create opportunities to build stronger client relationships, and help clients look beyond the crises to identify and prepare for high value-added infrastructure projects, especially those that address climate change, digital transformation, and economic recovery.
4. **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 2023.
5. First, AIIB will continue to proactively respond to its clients' evolving and diversified needs as they pursue their varied paths towards sustainable recovery. As clients are normalizing post-COVID life at varying speeds, the Bank will be ready to support a broad range of Members' efforts through an expanded toolbox and scope, including broadening and diversifying financing offers and strengthening its value addition in AIIB's thematic priorities of climate change, cross-border connectivity and private capital mobilization.
6. Second, AIIB will broaden and deepen its relationship with existing and new clients in both public and private sectors to develop a stronger, higher quality, more diversified, and longer-term pipeline and portfolio in CS priority areas that could generate repeat business in the future. The Bank will adopt a strategic business development and client-centric

approach with a wider range of clients in its core sectors and deepen such relationships and build trust with clients by clearly demonstrating AIIB's value addition.

7. Third, resource allocation will be guided by the need to develop the capacity and capabilities necessary to implement the CS. The enablers identified for CS implementation will guide the allocation of human and financial resources to meet the need for AIIB to achieve sustainable and high-quality growth, while upholding to high portfolio standards.
8. Considering the opportunities and challenges in the operating environment and guided by the three key principles, the Bank will focus on five areas in 2023: (1) Support Members' sustainable recovery; (2) Build strong client relationships; (3) Continue to strengthen the quality of investment operations; (4) Continue to bolster AIIB's financial sustainability; and (5) Strengthen the institution and the AIIB Way. Table 1 provides a high-level summary of the key objectives for the five focus areas for 2023, mapped to the CS pillars¹ and principles² to facilitate CS implementation monitoring.

Table 1: 2023 Focus Areas

2023 Focus Areas	Key Objectives	Corporate Strategy Alignment
Focus 1: Support Members' Sustainable Recovery	<ul style="list-style-type: none"> • Broaden and diversify financing offers to public and private sector clients, including results-base financing, guarantees, impact-driven equity investments, capital market operations, financing for state-owned enterprises and sub-sovereign clients, and continued crisis support for clients in partnership with other MDBs. • Strengthen business development in key infrastructure sectors and other productive sectors in line with CS priorities, especially for green/climate financing, cross-border connectivity, and private capital mobilization. 	<ul style="list-style-type: none"> • Pillar 1 – Establishing market position. • Pillar 2 – Achieving impact at scale.
Focus 2: Build Strong Client Relationships	<ul style="list-style-type: none"> • Develop multi-year rolling pipelines with selected Member governments. • Build strategic relationships with nonsovereign-backed (NSBF) clients. • Leverage partnerships to strengthen support for upstream engagement. • Use the Interim Operational Hub to add synergy to client relationship building, business development, and project monitoring. 	<ul style="list-style-type: none"> • Pillar 1 – Establishing market position. • Pillar 2 – Achieving impact at scale. • Pillar 4 – Serving a broad range of Members.
Focus 3: Continue to Strengthen the Quality of Investment Operations	<ul style="list-style-type: none"> • Reinforce project quality at entry by developing a gender approach, incorporating biodiversity considerations, strengthening project risk awareness, improving the due diligence process, better utilizing IT systems, and improving the documentation quality. • Enhance project implementation quality by gradually shifting operational focus from approval 	<ul style="list-style-type: none"> • Pillar 3 – Adding value along the project cycle. • Principle – High project standards.

¹ 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.

² They are high project standards, financial sustainability and sound banking, and strong multilateral governance and oversight.

	<p>to commitments and enhancing portfolio-level monitoring.</p> <ul style="list-style-type: none"> • Reinforce a strong learning culture within the Bank. 	
Focus 4: Continue to Bolster AIIB's Financial Sustainability	<ul style="list-style-type: none"> • Ensure the average credit quality of the Bank's investment portfolio remains within its risk appetite. • Foster a risk management culture that enables growth. • Continue to enhance asset and liability management and diversify liquidity holdings to optimize risk return from liquidity portfolio. • Continue to exercise judicious budget management and seek to improve budget execution. 	<ul style="list-style-type: none"> • Principle – Financial sustainability and sound banking.
Focus 5: Strengthen the Institution and the AIIB Way	<ul style="list-style-type: none"> • Improve the AIIB Brand and enhance recognition among stakeholders. • Strengthen Member relations and further enhance Board efficiency and governance. • Continue to build AIIB's workforce and corporate culture in line with the Bank's commitment to be an employer of choice for staff. • Establish a secure, reliable and efficient digital foundation to support the Bank's core business. 	<ul style="list-style-type: none"> • Pillar 5 – Building the corporate culture. • Principle – Strong multilateral governance and oversight.

9. AIIB 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 reflect and reinforce the focus areas highlighted for the year. Table 2 provides the projections of the annual business indicators for 2023. The projections reflect the Bank's expectations based on currently available information and may be subject to change based on evolving circumstances.
10. **Budget.** An administrative budget of USD233.4 million was approved by AIIB's Board of Directors to support the implementation of the 2023 business plan and the increased efforts to build AIIB's institutional capacity that is required for CS implementation. In addition, a capital budget of USD5.2 million was approved to fund investments in certain information technology (IT) systems and property improvement projects that will deliver economic value for several years, with expenditure for such investments being amortized over their economic life.

Table 2: 2023 Projected Annual Business Indicators

Indicators / unit		2023 projections	
Corporate Scorecard indicators			
Impact	Portfolio volume	Total capital mobilization¹ (USD billion of capital mobilized by AIIB's annual financing approvals plus capital mobilized by AIIB from private and public sources)	USD7.8–11.2 billion
		Annual financing approvals (USD billion / number of projects)	USD6.0 – 9.0 billion / 35 – 65 projects
		Capital mobilization² (USD billion of capital mobilized by AIIB from other private and public sources; ex-Facility)	USD1.8 – 2.2 billion
		Private sector projects³ (Target by 2030: 50%) (Percent of actual approved financings; ex-Facility)	25 – 35%
	Portfolio alignment	Climate financing⁴ (Target by 2025: 50%) (Percent of actual approved financings; ex-Facility)	43 – 47%
		Cross-border connectivity (Target by 2030: 25-30%) (Percent of actual approved financings; ex-Facility)	15 – 23%
	Portfolio performance	Implementation readiness (Number of months elapsed from approval to first cash disbursement; ex-Facility)	SBF: 12 months Private: 9 months
		Annual disbursement for sovereign projects (Percent of disbursed amount during a fiscal year to undisbursed balance at the beginning of that fiscal year; ex-Facility)	13 – 18%
		Share of projects without severe or unresolved issues impacting implementation performance and results (Percent of number of projects)	80%
Diversity	Workforce diversity – Gender (Percent of women professional staff)	41 – 42%	
Other indicators			
Pipeline building and diversification	SBF: economies with multi-year programs (Number of economies)	5	
	NSBF: new clients added to the Rolling Investment Pipeline (Number of clients)	Tracking indicator	
Regular financings	Annual regular financing approvals (USD billion)	Tracking indicator	
Commitment	Annual commitment amount (USD billion)	Tracking indicator	
Institution-building	Headcount (Number of staff)	540 – 560 staff	
	Administrative budget (USD million)	USD233.4 million	

¹ Includes AIIB's total financing approvals (regular and the COVID-19 Crisis Recovery Facility), and capital mobilized by AIIB from other private and public sources (ex-Facility).

² Includes the amount of capital: (a) directly and indirectly mobilized by AIIB from private sources; and (b) directly mobilized by AIIB from public sources. Calculation for private capital mobilization adopts the joint MDB private investment mobilization methodology, which measures capital mobilization upon commitment. The figures reported are provisional.

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

⁴ A project qualifies as climate financing if it includes elements of climate mitigation and/or climate adaptation based on the joint MDB terminology. Calculation for climate financing adopts the joint MDB climate finance tracking methodology, where only the financing portion for the climate financing elements (vs. total financing amount for the project) is counted as climate financing.