

Decisions to Support AIIB's Policy-Based Cofinancing in Eligible Crises

The Board of Directors, by a majority representing not less than three-fourths of the total voting power of AIIB Members, adopts the following decisions to extend Policy-Based Cofinancing (PBCF) as part of the Bank's broader approach to help Members respond to and recover from future eligible crises:

- (i) AIIB may apply its PBCF to eligible crisis, defined as an extraordinary situation affecting a single Member or multiple Members and having all of the following characteristics: (i) having severe economic impacts; (ii) evoking international coordinated financial response to a broadly recognized shock; and (iii) leading to urgent requests to arise from AIIB Members for the Bank to deploy exceptional and timebound financing to support their urgent needs. For crises affecting only one member, the following additional conditions will apply: (i) the crisis is of national significance; (ii) its impacts far exceed the Member's regular financing capacity; and (iii) a technical assessment on the severity and impacts of crisis, the recovery needs and the fiscal impact has been undertaken by the government and partners and is used to help coordinate and inform the international financial response.
- (ii) The Board of Directors shall approve, by simple majority, the eligibility of a crisis as an extraordinary situation for the use of PBCF by the Bank, following a discussion of a paper submitted by Management. Following such an approval, Management shall be able to activate PBCF to respond to that particular crisis or emergency according to the conditions and limitations outlined in the paper. Management shall seek approval of the Board of Directors to extend the use of the mechanism in response to a particular eligible crisis beyond the timescale set out in the crisis-specific paper presented to the Board.
- (iii) For PBCF in an eligible crisis, the Board of Directors approves the use of the Policies of the African Development Bank, Asian Development Bank, Inter-American Development Bank or World Bank for such financings in lieu of AIIB's Operational Policy on Financing, Environmental and Social Policy and Procurement Policy. All Members shall be eligible to access exceptional and timebound PBCF, although non-regional Members shall be subject to the financing limits (but not to the Eligibility Principles) in the Strategy on Financing in Non-Regional Members.

(Adopted on June 13, 2023)