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 Zou, Honourable Governors, Representatives of Member States, Ladies and Gentlemen,

At the outset, we wish to express our condolences to all families affected by the catastrophic flooding in Nepal and China, which has claimed countless lives.

We thank the State of Qatar for hosting the 2026 Annual Meeting of the Asian Infrastructure Investment Bank (AIIB) and extend our thanks to all those involved in organising the meeting. This is the first Annual Meeting under the leadership of President Zou. Our Constituency extends our warm congratulations to her on taking office in January 2026 and look forward to continuing our close collaboration with the Bank.

We are deeply concerned by the immense human suffering and the negative impacts on development caused by ongoing wars and conflicts around the world. Conflicts have and continue to take a terrible human, economic and infrastructure toll also on this region and beyond; and Russia's ongoing war of aggression against Ukraine continues to threaten global security, stability and prosperity.

Against this backdrop, multilateral cooperation must continue to be at the core of our work. Multilateralism contributes to prosperity across the globe and is endangered by the prevailing geopolitical tensions and trade disruptions. Safeguarding a rules-based international order remains essential to ensuring stability, sustainable development, and shared progress. The importance of multilateral cooperation is evident vis à vis the compounding impacts of conflicts and climate change which exacerbate existing economic and ecological challenges. No country can tackle these interconnected challenges on its own.

Given the scale and complexity of these challenges, AIIB has a pivotal role to play through its financing of green, connected, and technology-enabled infrastructure, and its efforts to mobilise private capital for low-carbon, climate-resilient development. Looking back to the past year, we commend Management for its steadfast leadership and dedicated efforts in further enhancing AIIB's standing, its integration into the international financial architecture and its reputation as a trusted international financial institution.

Energy, Food Security and Economic Resilience Facility

We welcome AIIB's response in support of countries affected by the ongoing conflicts in the Middle East. The disruption of energy and fertilizer supply chains has consequences that reach well beyond directly affected countries, creating broader socio-economic challenges and particularly affecting the Bank's regional members. The Bank's responsive support through the Resilience Facility has the potential to both mitigate the negative economic impacts of this conflict on members while also enhancing their resilience. In this regard, we urge AIIB to focus on the areas where it can provide the most added value and support to its clients and to make sure its operations under the Resilience Facility contribute to reducing the reliance on fossil fuels. The Bank should further coordinate closely with other MDBs to act as a system for enhanced efficiency and effectiveness and provide the Board with timely information to enable effective oversight over operations financed by the Facility. While it is important that the Bank remains responsive to evolving and urgent needs of its members, we also encourage the Bank to apply the Facility's funds in a timely, evidence-based and temporary manner, so that resources can be directed back towards the Bank's strategic priorities as soon as possible.

A strategic roadmap for AIIB's second decade

As AIIB enters its second decade, it is crucial that AIIB upholds its multilateral ethos, safeguards its achievements, maintains its commitment to climate finance, further strengthens its role within the multilateral system, and preserves its long-term financial sustainability and regional focus.

We welcome the discussion on the Bank's business model, and ways to further strengthen the Bank's capacity and strategic intentionality. Conscious of the challenges ahead, we encourage AIIB to systematically base financing decisions on strategic priorities, core principles, as well as increased country and sector expertise and to then consider client demand in light of these principles, while continuing to focus on long-term financial sustainability. This includes maintaining AIIB's AAA rating through sound banking practices and the efficient and effective use of its budget.

We strongly encourage AIIB to further increase the development impact of its operations to better serve its members, in particular the less developed ones. This can be achieved through measures such as targeted concessional financing and technical assistance (TA), partially financed through the Bank's retained earnings without compromising its financial sustainability. The ongoing discussion on the enhancement of AIIB's capacities and resources in countries of operation must be geared towards increasing upstream TA support, and project origination. Early-stage engagement is essential for the efforts to scale-up private capital mobilisation. In this context, a robust theory of change and results-based management will be crucial to guarantee project quality.

As foreign exchange risk remains a key barrier to investment in emerging markets and developing economies, we call on AIIB, alongside other MDBs, to continue to enhance local currency solutions and to ensure its operations help develop local capital markets. We also call for a forward-looking implementation of the Gender Action Plan, including the development of a dedicated strategy in line with those of peer institutions.

We encourage AIIB to underpin these efforts with a renewed commitment to strategic procurement processes that promote long term value-for-money, quality, efficiency, fairness, ethical conduct and sustainability, in line with the reform agenda undertaken by several MDBs as well as through early market engagement initiatives beyond Asia. We reiterate the importance of providing procurement data in a complete and timely manner.

Asian Centrality and Nonregional-Member (NRM) Financing

We thank Management for the discussion on the Bank's Strategy on Financing Operations in Nonregional Members. We consider AIIB as a regional MDB and the principle of its Asian centrality is the core foundation of our membership in the Bank. This discussion has touched upon fundamental questions regarding the Bank's future direction, its capacity for growth, and its raison d'être. We acknowledge that projects beyond the Bank's core mandate region could potentially have wider regional benefits. However, the Bank's NRM operations should remain strongly grounded in supporting infrastructure in Asia and sustainable economic development in the Bank's core region, whether through a direct and meaningful contribution or through the provision of a well bound list of global public goods.

We expect the Bank to focus its NRM operations on areas where AIIB clearly exhibits a demonstrable comparative advantage and delivers meaningful financial and non-financial additionality, in strong complementarity with other MDBs.

Green and Climate Finance for Clean Energy

We commend the Bank for once again exceeding its climate finance target in the past year. This is a testament to AIIB's growing role as a frontrunner in green infrastructure finance. We encourage the Bank to maintain a high level of ambition and to raise its climate financing in the years ahead, all while also ensuring high-quality project selection and maximising development impact.

We look forward to the upcoming revision of AIIB's Energy Sector Strategy. Years of energy crises, during which fossil fuels have proven unreliable and costly for many developing economies, highlight the pressing need for a significant acceleration in the transition towards a rapid build-out of

renewable energy infrastructure. Technological advancements and the ever-growing affordability and efficiency of renewables enable ambitious revisions of transition plans. By scaling down the financing of fossil fuels and avoiding the risk of stranded assets paired with a sharper focus on green energy infrastructure, AIIB can work towards energy security and affordable, reliable and independent access to energy for its entire membership. Besides energy production, electrification should also play a key role in other sectors such as transport, industry or housing. A bold, ambitious and forward-looking strategy will be essential to position AIIB as a true leader in the global clean energy transition.

The climate crisis is intensifying and countries' mitigation and adaptation needs continue to grow, but green resilient and transformative infrastructure remains underfunded. To address this gap, we call on AIIB to scale up climate mitigation and adaptation finance. We urge the Bank to deepen its cooperation with peer MDBs to strengthen both climate finance and Paris alignment, MDB common methodologies as well as their project-by-project interpretation, and to enhance transparency and reporting standards. Delivering on these ambitions will require adequate internal capacity within the Bank, and we therefore support AIIB's continued investment in appropriate staff expertise and capabilities.

We also encourage the Bank to increase its investments in biodiversity, nature and water finance, thereby recognizing their critical role in resilient and sustainable development.

Strong Internal Governance

The Bank's success depends fundamentally on strong corporate governance, highly qualified staff and a healthy organisational culture. We emphasise the importance of a constructive relationship between the Board and Management, founded on trust, transparency, and open dialogue. Effective governance requires continuous adaptation. As the Bank expands its role and responsibilities, its governance framework and structures must evolve accordingly to ensure that they remain fit for purpose and capable of providing robust oversight. The upcoming comprehensive review of the Bank's Accountability Framework will be important part of this discussion and we encourage the Bank to bring forward practical proposals to strengthen governance arrangements, shareholder engagement in strategic discussions, enhanced Board effectiveness, and improve the overall efficiency and quality of decision-making. To this end, we also encourage the Bank to draw on CEIU's evaluation reports to discuss recommendations and lessons learned, as a way to strengthen strategic planning in collaboration with the Board.

We acknowledge AIIB's efforts to enhance its internal justice system and welcome the review of the Staff Grievance Mechanism and establishment of an independent administrative tribunal. We expect

AIIB to maintain a robust accountability mechanism that is aligned with the best practices of peer MDBs. Beyond its formal establishment, it is essential that the accountability mechanism functions efficiently in practice, delivering effective, timely and trusted recourse. This is fundamental to respect staff member's rights and to safeguard AIIB's immunities, credibility and reputation. Effective governance and accountability ultimately depend on the strength of an institution's people and culture. In this regard, we emphasise the importance of advancing gender inclusion and promoting an enabling work environment in which staff can develop and succeed throughout their careers.

We commend Management for the initiation of the comprehensive review of compensation and benefits as the system of remuneration and its methodological foundations need to evolve with the Bank's continued growth. Beyond financial compensation, an inclusive organisational culture, opportunities for professional development, employment opportunities for accompanying partners and a sustained focus on staff well-being, are key factors in attracting, developing and retaining high-calibre talent at all levels of the institution. We strongly encourage AIIB to give sustained attention to these areas, which strengthen its workforce. In doing so, the Bank will enhance its capacity to fully deliver on its mandate.