ASIAN INFRASTRUCTURE INVESTMENT BANK

THEMATIC EVALUATION REPORT

COVID-19 CRISIS RECOVERY FACILITY (CRF)

MARCH 2026

AIIB Headquarters, Tower A, Asia Financial Center
No. 1 Tianchen East Road, Chaoyang District, Beijing 100101 China
Tel: +86-10-8358-0000
ceiu@aiib.org

Photos (front and back cover): Generated by AI

THEMATIC EVALUATION REPORT

MARCH 2026

COVID-19 CRISIS RECOVERY FACILITY(CRF)

TABLE OF CONTENTS

ABBREVIATIONS	**iii**
ACKNOWLEDGMENTS	**vi**
EXECUTIVE SUMMARY	**vii**
INTRODUCTION	**1**
Background and Context	2
AIIB's Crisis Recovery Facility	2
Purpose, Scope, and Audience	4
Report Structure	4
CRF PORTFOLIO OVERVIEW AND PERFORMANCE	**7**
CRF Overview	8
Portfolio Analysis	9
Overall Assessment	13
BENCHMARKING AGAINST PEER MDBS	**15**
Scale Comparison: Proportional Leadership Despite Smaller Absolute Volume	16
Timeline and Instruments: Strategic Adaptation Through Partnership	16
Overall Assessment	18
EVALUATION FINDINGS	**19**
Relevance	20
Effectiveness	25
Efficiency	38
Sustainability	41
Overall Evaluation Assessment	42
INNOVATIONS SUPPORTED BY THE CRF AND LONG-TERM INSTITUTIONAL IMPACT	**45**
Risk Management Transformation	46
Evolution to Climate-focused Policy-based Lending	46
Health Sector Mainstreaming	48
Concessional Finance Architecture	49
Private-sector Development	50
Legal Innovations	51

TABLE OF CONTENTS

KEY INSTITUTIONAL FACTORS FOR FUTURE STRENGTHENING **53**

Knowledge and Technical Assistance Capacity 54

Crisis Preparedness and Institutional Resilience 55

Partnerships 56

STRATEGIC LESSONS AND FORWARD-LOOKING RECOMMENDATIONS **57**

Strategic Lessons 58

Forward-looking Recommendations 59

APPENDICES **61**

CRF Project List 62

CRF Portfolio Overview and Performance 64

Special Fund Window: Design, Utilization, Value-Addition 76

Case Studies 79

Evaluation Methodology, Theory of Change, and Limitations 136

Evaluation Questions and Subquestions Matrix 143

Interview List 147

References 148

ABBREVIATIONS

ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
BISP	Benazir Income Support Program
BRACE	Building Resilience with Countercyclical Expenditures
CARES	COVID-19 Active Response and Expenditure Support
CAT-DDO	Catastrophe Deferred Drawdown Option
CCDC	Chinese Center for Disease Control and Prevention
CDC	Centers for Disease Control and Prevention
CDEP	Countercyclical Development Expenditures Package
CEIU	Complaints-resolution, Evaluation and Integrity Unit
CERC	Contingent Emergency Response Component
COVID-19	Coronavirus Disease 2019
CPBF	Climate-focused Policy-based Financing
CPRO	COVID-19 Pandemic Response Option
CRF	COVID-19 Crisis Recovery Facility
CSF	Countercyclical Support Facility
CSO	Civil society organization or nongovernmental organization
CTA	Common Terms Agreement
DLIs	Disbursement-linked indicators
DPO	Development Policy Operation
E&S	Environmental and social
EBRD	European Bank for Reconstruction and Development
ECA	Export credit agencies
ECM	External Communication Mechanism
ECRI	Emergency Care Research Institute
ESMS	Environmental and Social Management System
ESP	Environmental and Social Policy
FI	Financial intermediary
GDP	Gross domestic product
GRM	Grievance Redress Mechanism
HIV	Human immunodeficiency virus
IC	Investment committee
ICU	Intensive care unit
IDA	International Development Association
IEG	Independent Evaluation Group

IFC	International Finance Corporation
IFI	International financial institution
IMF	International Monetary Fund
KEF	Directorate for Public Procurement and Supply
KfW	Kreditanstalt für Wiederaufbau
MDB	Multilateral development bank
MFIs	Microfinance institutions
MOF	Ministry of Finance
MSME	Micro, small, and medium enterprises
NDB	New Development Bank
NDMA	National Disaster Management Authority
NPLs	Nonperforming Loans
NSBF	Nonsovereign-backed Financing
OCER	Open Credit Exposure Ratio
OECD-DAC	Organization for Economic Co-operation and Development's Development Assistance Committee
OKFŐ	The National Directorate General for Hospitals
OPF	Operational Policy on Financing
PBCF	Policy-Based Cofinancing
PBF	Policy-based Financing
PBL	Policy-based Lending
PCM	Private capital mobilization
PforR	Program for Results
PIAs	Project implementation agencies
PMU	Project management unit
PPM	Project-affected People's Mechanism
PPP	Public-private partnerships
PPSF	Project Preparation Special Fund
RBF	Results-based Financing
RBL	Results-based Lending
RLAP	Responsible Lending Action Plan
SBF	Sovereign-backed Financing
SDG	Sustainable development goal
SFW	Special Fund Window
SMART	Specific, measurable, achievable, relevant, and timebound
SME	Small and medium-sized enterprise
SOE	State-owned enterprise
SPS	Safeguards Policy Statement

TA	Technical assistance
TKYB	Türkiye Kalkınma ve Yatırım Bankası
TSKB	Türkiye Sinai Kalkinma Bankasi
UN	United Nations
WBG	World Bank Group
WHO	World Health Organization

ACKNOWLEDGMENTS

This thematic evaluation was conducted by the Independent Evaluation Function of the Complaints-resolution, Evaluation, and Integrity Unit (CEIU) at the Asian Infrastructure Investment Bank (AIIB), with contributions from AIIB staff and external consultants.

The evaluation was undertaken under the strategic leadership of Hwee Tin Kng, Acting Managing Director of CEIU. Eskender Zeleke, Head of the Independent Evaluation Function, led the evaluation, providing overall leadership and direction, including responsibility for the evaluation design, analytical approach, synthesis of findings, and finalization of the report. The core evaluation team comprised Saumya Mitra (Lead AIIB Consultant), Mirzhan Karakulov (Banking Expert and AIIB Consultant), Mia Landeck (AIIB Consultant), Marla Hinkenhuis (Evaluation Analyst), and Jiaqi Zhao (Analyst). Operational and administrative support was provided by Yuan Chang (Executive Assistant) and Yuting Wang (Administrative Assistant).

The report benefited from a rigorous internal review by Jan Willem van der Kaaij, Senior Advisor to MD-CEIU, and an external peer review by Asita De Silva, former senior staff member of the World Bank Independent Evaluation Group.

The team expresses its appreciation to AIIB Management for its continued support of CEIU's learning and evaluation agenda. They are also grateful to AIIB staff, client counterparts, partner international financial institutions, and key stakeholders for their time, insights, and constructive engagement throughout the evaluation process. The team further thanks the Board of Directors for its ongoing guidance and encouragement, which continues to strengthen the Independent Evaluation Function and its contribution to institutional learning and accountability.

Executive Summary

A DEFINING MOMENT FOR THE INSTITUTION

The COVID-19 Crisis Recovery Facility (CRF) (2020-23) represented a significant phase in the Asian Infrastructure Investment Bank's (AIIB or the Bank) operations. During this period, the Bank streamlined its operational procedures to respond to the severe shocks of the COVID-19 pandemic on Member economies. Coordinated decisions by Management, combined with Board oversight and staff efforts, enabled AIIB to scale up its financing and deploy resources within a compressed timeframe. The Board's decisive and timely approval of the CRF and Management's efficient implementation while balancing risks and maintaining standards enabled progressive expansion of the facility to reflect Member needs and innovations in policies, lending practices, and instruments. The CRF supported operations across health response, social protection, economic resilience, and financial system stability. Over nearly four years, the CRF extended 68 operations amounting to USD18.5 billion, covering 26 Members, of which 11 were first-time borrowers. The CRF was situated within the collective response framework of multilateral development banks (MDBs) to the pandemic and was characterized by strong dialogue and partnerships with other MDBs as well as with Member authorities and their private sectors. This enabled the CRF, through an 84% cofinancing rate, to tap into the expertise of partner MDBs. The CRF experience suggests that, during crisis conditions, alignment in strategic focus, flexible operational policies and procedures, and institutional coordination can facilitate rapid scaling up of financing by a relatively young MDB.

Key Takeaways from this Evaluation: Decisive Development Impact

Impact on clients. The most significant achievement of the CRF was helping Members cope with the impact of the COVID-19 pandemic and strengthening health systems, poverty mitigation, economic resilience, and institutional capabilities. Through the introduction of policy-based lending and the use of results-based lending, which was previously used only once, the CRF supported reforms in private and capital market development, fiscal systems, social transfers, technology, and human capital. The development effectiveness of CRF operations appears to have exceeded initial expectations of providing short-term emergency response. Through the development orientation of the operations financed, the CRF created the foundations for expanded infrastructure lending, higher investments in the productive sectors, responsiveness to climate change, and attracting private capital. In some of these areas, while early results are evident, the full development impact may materialize over the medium to long term.

Key AIIB objectives and impact. The CRF created the basis for new business lines, expanded areas for operations, the deployment of new instruments, and a greatly bolstered balance sheet. It created new pathways for staff learning and institutional development, advanced risk management, strengthened economic and sector skills, and reinforced credibility on the international stage.

Long-term significance and lessons. The significance of the development impact for Members, combined with institutional gains for AIIB, extends beyond the close of the facility at year-end 2023. It accelerated the development of AIIB business, capacities, and financial stability. As for lessons for the future, greater efforts need to be made in knowledge and advisory assistance, attending to the needs of less developed Members, and deepening internal capabilities in policy-based lending.

FROM EMERGENCY RESPONSE TO LONG-TERM REFORMS

The CRF evolved during the pandemic. Initially focused on emergency support, including health equipment, diagnostic laboratories, liquidity support, and income protection, it expanded into the areas of social protection and the key fundamentals of a market-oriented economy: supporting fiscal and public finance management, efficient private and banking markets, digitalization and technology, and economic resilience. The facility pioneered policy-based financing and deepened the Bank's experience in results-based financing, which together exceeded 48% of commitments of the CRF. From mid-2021, financing shifted toward multiyear reform programs that supported structural reforms across a broad range of Members, including Fiji, Indonesia, Kazakhstan, Pakistan, the Philippines, Rwanda, and Uzbekistan. Further innovations are evidenced by developments in concessional architecture, policies underpinning the Emergency Response Approach (2023), and Climate-focused Policy-based Financing (CPBF) (2024).

STRONG RESULTS ACROSS THE PORTFOLIO

RELEVANCE

The evaluation found that the CRF demonstrated strong relevance and was consistent with AIIB's Articles of Agreement. The CRF operationalized AIIB's existing mandate to support productive sectors beyond traditional infrastructure, deploying timebound crisis instruments that have since been transitioned to permanent operational frameworks. This assessment is based on three considerations. First, the pandemic posed a systemic threat to macroeconomic stability, without which infrastructure investment and private capital mobilization (PCM) would have been significantly constrained; CRF interventions helped preserve these enabling conditions in coordination with other international financial institutions (IFIs). Second, the Articles of Agreement's reference to financing "other productive sectors" provided scope for timebound, tailored support across health, social protection, liquidity, and economic management, which contributed to maintaining economic activity and productivity. Third, CRF operations, implemented in close collaboration with other multilateral and bilateral development institutions, promoted regional cooperation and partnership in addressing the crisis, which is consistent with the Bank's second core purpose under Article 1 of the Articles of Agreement.

Within this framework, the design of the CRF was closely aligned with Member priorities as identified in pandemic needs assessments and country response programs and demonstrated operational agility through the adaptation and use of a broad range of instruments. AIIB leveraged its ample lending headroom, reflecting the youth of its portfolio, to expand the reach of its financing, with CRF commitments totaling USD18.5 billion representing a 150% increase in the Bank's portfolio over 2020-23. However, relevance was uneven, with more limited alignment to the needs of low-income Members in the initial phase due to the constrained scale of the Special Fund Window (SFW). **Overall, the CRF demonstrated strong relevance to AIIB Member needs.**

EFFECTIVENESS

The evaluation found that the CRF was highly effective in delivering rapid and tangible results across health, social protection, liquidity support, and the initial phase of economic reforms. For example, policy-based operations supported reforms related to fiscal sustainability, private-sector development, state-owned enterprise (SOE) governance, and market liberalization. These results were achieved despite operational challenges inherent in emergency response conditions, including compressed preparation timelines, reliance on remote supervision, and variations in country institutional readiness. Against Board-approved targets, most operations achieved or exceeded expected results. Health operations significantly expanded testing, treatment, and vaccination capacity, supported by policy advice aligned with World Health Organization (WHO) guidance that strengthened crisis preparedness, response planning, and implementation. Social protection programs reached a high proportion of intended beneficiaries, with effectiveness shaped by the maturity of national delivery systems. Liquidity support facilities recorded high utilization rates, helping preserve short-term credit flows and employment during periods of acute economic disruption. Policy-based operations implemented agreed prior actions and demonstrated encouraging early reform signals.

At the project and program levels, effectiveness is reflected in the consistently high achievement of anticipated outputs and outcomes. **Overall, the CRF demonstrated strong effectiveness, with results reflecting AIIB's timely and countercyclical financing, flexible instrument design, and close engagement with implementing agencies, complemented by capable government counterparts and the technical leadership of partner MDBs.**

EFFICIENCY

The evaluation found that AIIB operated efficiently under crisis conditions, processing operations rapidly while maintaining fiduciary and safeguarding discipline. Streamlined internal processes, strong Board–Management coordination, and extensive cofinancing with experienced MDBs enabled timely approvals and disbursements despite remote-work constraints and travel restrictions. Environmental and social due diligence was phased in accordance with environment and social policy (ESP) provisions for Situations of Urgent Need of Assistance, while emergency procurement arrangements and retroactive financing supported rapid resource deployment. The evaluation found no evidence that these flexibilities resulted in material fiduciary, environmental, social, or reputational risks.

Staff built on existing competencies and rapidly acquired new skills in policy-based lending, health systems, and crisis management through intensive learning and hands-on experience, supported by MDB partner expertise. Efficiency gains were further enabled by advances in debt sustainability assessments and creditworthiness analysis led by the Economics Department, positioning AIIB more firmly within macroeconomic policy dialogue among MDB partners.

Monitoring was constrained by pandemic-related travel restrictions – a challenge across all MDBs but more pronounced for AIIB given its absence of regional offices. For cofinanced operations, AIIB appropriately relied on lead cofinancier monitoring systems. **Overall, efficiency was high. The CRF experience demonstrates that timebound, well-governed procedural flexibilities can enhance crisis responsiveness without undermining institutional safeguards.**

SUSTAINABILITY

The evaluation found that CRF operations laid promising foundations for longer term development gains, although the durability of outcomes will vary across economies and sectors. CRF interventions sought to anchor crisis response measures in broader economic and institutional reforms, while sector-specific operations, particularly in health, incorporated elements aimed at strengthening systems beyond the immediate emergency. In health, investments in management and coordination arrangements, project implementation capacity, and early steps toward pandemic preparedness, surveillance, and information systems supported the sustainability of results. In social protection, sustainability prospects were strengthened by longer term improvements, notably the development and updating of social registries, enhanced targeting mechanisms, and increased inclusion of women. Policy-based operations established initial conditions for longer term reform trajectories; however, their sustainability will depend on country institutional capacity, fiscal space, and sustained political commitment. Across areas, the maintenance of CRF-supported outcomes relies on continued Member ownership of reform agendas and ongoing engagement by MDB partners through policy dialogue, technical assistance (TA), knowledge, and financing. **Overall, sustainability appears promising, with most outcomes being maintained to date while remaining subject to medium-term implementation and reform risks.**

Evidence of Achievement

Eight factors account for the substantial results achieved under crisis conditions.

1. Decisive leadership, institutional agility, and staff dedication. The Board's strategic decision to establish the CRF, coupled with Management's commitment to take bold implementation action, supported by active Board oversight, enabled a rapid and coordinated crisis response aligned with the broader MDB system. Staff demonstrated exceptional dedication, working across time zones and under significant pressure to deliver timely results while acquiring new skills and institutional knowledge. This collective effort significantly enhanced AIIB's institutional credibility and reinforced its role within the multilateral development architecture.

2. Discipline in risk management. While crisis conditions inherently required AIIB to expand into unfamiliar areas and accept heightened risks, disciplined risk management through maturity caps, credit limits, and robust economic assessments kept lending within prudent parameters. This balance between strategic risk-taking and rigorous discipline was the key achievement. Because crisis conditions stressed economies' debt sustainability, AIIB applied more rigorous debt sustainability analysis to ensure that lending remained within prudent limits, protecting both the Bank and its Members from overextension. Extensive cofinancing with MDB partners further limited exposure, while targeted capacity reinforcements in macroeconomic analysis, credit risk, and fiduciary functions enabled the Bank to navigate unfamiliar modalities without compromising standards. Together, these measures allowed AIIB to scale crisis operations responsibly while preserving its conservative risk profile.

3. Strong partnerships. Partnerships with the WB, ADB, and other MDBs enabled the integration of the CRF into established cofinancing platforms, allowing for quick deployment of support. Partner MDBs shared analytical diagnostics, policy dialogue insights, and operational experience, assuring quality and reducing processing time for AIIB.

4. Close attention to development effectiveness. AIIB maintained a strong focus on development outcomes, shifting the CRF strategy from immediate crisis response toward longer term economic reforms, institutional strengthening and fiscal sustainability during the recovery phase. This deliberate orientation toward sustained development effectiveness has contributed to establishing a foundation for stronger results in future operations.

5. Phased approach and adaptive management. The stepwise expansion of the CRF from USD5-10 billion to USD13 billion and ultimately to USD20 billion allowed the Bank to calibrate its response to the depth of the crisis. Periodic strategic reviews enabled shifts from emergency financing to recovery-focused operations, reflecting adaptive management and organizational learning principles.

6. Streamlined procedures with safeguards. AIIB accelerated internal processes to achieve the speed demanded by the crisis while maintaining robust environmental and social (E&S) safeguards, fiduciary controls, and risk standards. This balanced fast-tracking approvals without lowering due-diligence standards was critical to the CRF's credibility and operational integrity.

7. Flexibility of instruments. Cofinancings under partner frameworks for program-for-results and results-based lending (established instruments at WB/ADB, accessed by AIIB through cofinancing), combined with policy-based lending, enhanced the toolkit for pandemic response.

8. Member ownership. High government demand and involvement, clear articulation of national priorities, and generally strong implementation capacity across Members enabled rapid deployment and solid performance across CRF operations. Strong Member ownership enhanced alignment, execution, and development impact.

INSTITUTIONAL INNOVATIONS CATALYZED BY THE CRF

- **New financing instruments.** The CRF expanded AIIB's operational toolkit by embedding results-based financing and policy-based cofinancing within its crisis response. This experience informed the subsequent approval of the Results-based Financing (RBF) (2022), Policy-based Cofinancing (2023), and Climate-focused Policy-based Financing (2024).

- **Emergency response framework.** The experience gained under the CRF contributed to the development of AIIB's approach to emergency response, which codified the use of crisis-specific instruments and established a clearer institutional foundation for future emergency operations.

- **Concessional architecture.** The CRF accelerated the evolution of AIIB's concessional financing arrangements, leading to the institutionalization of the SFW as the Special Fund Window for Less-Developed Members in 2022.

- **Health sector.** CRF operations catalyzed a more structured approach to health and social infrastructure, including the creation of the Social Infrastructure Department, the adoption of the Health Sector Strategy in 2024, and AIIB's designation as an Implementing Entity of the Pandemic Fund.

- **Risk and legal capability.** The rapid scale-up of CRF lending was accompanied by strengthened risk management and legal capacity, with stress testing indicating that AIIB's capital adequacy and financial resilience remained robust despite a significant expansion of the portfolio.

- **Partnerships deepened.** Extensive cofinancing covering approximately 84% of CRF projects deepened collaboration with other MDBs and laid the groundwork for more balanced and complementary roles in future joint operations.

FOUR STRATEGIC LESSONS

What the CRF Taught AIIB – And What Comes Next

Lesson 1: Institutional agility and strategic positioning.

Strategic agility and upstream analytical capability are essential for effective crisis response. The CRF showed that AIIB can respond rapidly and decisively under pressure, deploying instruments creatively and adjusting risk systems at speed. However, this agility depended heavily on partner MDB analytics and was constrained by limited internal upstream capabilities, including the diagnostic, advisory, and reform design work that precedes and shapes financing decisions. In health systems, fiscal sustainability, and structural reform areas, AIIB provided financing but relied on partners for the analytical foundation that underpinned intervention design and policy dialogue.

The lesson is that institutional agility must be progressively anchored in stronger upstream analytical and technical capacity to enable credible leadership in crisis response and long-term reform engagement. Building this capability will require strategic sequencing aligned with AIIB's evolving priorities and resource base: near-term crisis response can continue to leverage partnerships, while medium-term investments develop independent analytical depth in priority areas.

Lesson 2: Integrated, programmatic, and sequenced support for development effectiveness.

Across Members, the CRF achieved its strongest results where emergency operations, recovery measures, and long-term structural reforms were embedded in a coherent support package aligned with national systems. By linking crisis response with medium-term reforms in areas such as fiscal sustainability, private-sector development, social protection, digitalization, and human capital, the CRF exceeded its original expectations.

The lesson is that sustained development effectiveness depends on integrated, sequenced support that connects emergency response to long-term institutional strengthening.

Lesson 3: Technical assistance and knowledge support as operational enablers.

TA and knowledge support are critical, particularly in contexts requiring capacity building for high-quality operations and client impact. Clients and MDB partners consistently emphasized that the lack of dedicated TA constrained AIIB's ability to contribute substantively to policy analysis, implementation support, and reform sequencing. The CRF revealed that TA was indispensable not only in the areas of health, fiscal design, and crisis management but also in private-sector development and social protection reform.

The lesson is that systematic technical assistance and knowledge support are essential where country capacities need to be strengthened to raise the quality, relevance, and long-term impact of AIIB operations.

Lesson 4: Institutionalizing crisis preparedness and scalable response instruments.

Crisis preparedness requires institutionalized frameworks and fit-for-purpose instruments. AIIB's crisis response was heavily dependent on ad hoc mechanisms, exceptional staff effort, and partner frameworks. The absence of codified activation triggers, predesigned crisis instruments, and standardized procedures reduced predictability and required exceptional effort to achieve speed, efficiency, and effectiveness. The SFW demonstrated value in supporting affordability in Bangladesh, Cambodia, Kyrgyzstan, and the Maldives, but limited resources constrained its reach, scale, and accessibility for the most vulnerable Members.

The lesson is that crisis preparedness must be institutionalized through codified emergency response frameworks and redesigned, scalable crisis instruments, including greater deployment of concessional finance.

THREE STRATEGIC RECOMMENDATIONS

A Roadmap for Strengthening the Institution

Recommendation 1: Consolidate CRF gains within AIIB's expanded toolkit and strategic priorities.

The CRF demonstrated AIIB's capacity to respond at speed and scale during a global crisis, primarily through strategic cofinancing partnerships with experienced MDBs. Since 2020, AIIB has substantially extended its toolkit, including the Policy-based Cofinancing (PBCF) (2023), CPBF (2024), and the emergency response framework (2023). The PBCF (2023) governs AIIB participation in partner-led policy-based operations, while the emergency response framework (2023) institutionalizes the Bank's broader crisis-response modalities; the two serve distinct but complementary institutional purposes. This positions the Bank to play a more substantive role in future crises within its areas of comparative advantage.

Looking ahead, five areas merit continued attention, aligned with AIIB's Corporate Strategy thematic priorities:

1. **Upstream analytical capability is linked to strategic business priorities.** Develop targeted analytical capacity, including climate diagnostics, infrastructure investment planning, and sector reform analysis in areas where AIIB seeks to exercise leadership. This capability should be proportionate to AIIB's lean operating model and focused on domains where upstream engagement strengthens project quality and pipeline development.
2. **Regional cooperation for connectivity and climate-resilient infrastructure.** Build on the cross-border coordination and partnership capabilities demonstrated under the CRF, reinforcing AIIB's comparative advantage in promoting regional cooperation consistent with Article 1.2 of the Articles of Agreement.
3. **Crisis management tools within AIIB's mandate.** Strengthen crisis preparedness through the introduction of the PBCF and CPBF, as well as mechanisms such as the emergency response framework, all of which focus on infrastructure-related shocks, including climate events and natural disasters, in coordination with the International Monetary Fund (IMF) and other IFIs. AIIB need not develop standalone capacity across all crisis modalities; strategic cofinancing with partners who bring complementary expertise remains an efficient and effective model.
4. **Climate-focused Policy-based Financing in infrastructure-related areas.** Expand the use of CPBF across AIIB's Corporate Strategy thematic priorities, guided by clear infrastructure linkages and the Bank's areas of comparative advantage. Sector selection should be informed by Member demand and AIIB's evolving operational experience, while ensuring that CPBF remains anchored in the Bank's infrastructure mandate and strategic priorities.

5. **Technical assistance aligned with the leadership role AIIB plans to pursue.** Ensure that the leadership role AIIB plans to pursue in its priority areas is matched by substantive technical contribution. Expand targeted technical assistance and knowledge support to accompany clients through complex reforms, drawing on partnerships and flexible expertise arrangements consistent with AIIB's institutional model.

Recommendation 2: Adopt a programmatic, sequenced approach to crisis and recovery support.

To maximize development effectiveness, AIIB should adopt a programmatic and sequenced approach for its crisis-response and recovery operations. This was a central conclusion of the CRF experience, echoed by all clients consulted in this evaluation. A structured, multiphase approach linking emergency support to medium-term recovery and long-term reforms would strengthen operational coherence, improve reform continuity, and enhance sustainability of results.

This shift requires:

- Multiphase operational planning linking emergency operations to deepen structural reforms.
- Integrated use of instruments (policy-based lending, results-based lending, investment operations, and technical assistance).
- Development of standalone fast-disbursing financing capacity to complement cofinanced operations, enabling AIIB to respond rapidly where cofinancing partnerships are not available or where AIIB leadership is warranted.
- Staff capacities aligned with sequencing, reform design, and cross-sectoral integration.

Recommendation 3: Strengthen crisis support for less developed Members.

The CRF experience demonstrated that concessional resources, including through the SFW, supported affordability in Members. However, access for less developed Members was more constrained than for middle-income borrowers, reflecting the institutional design of CRF policy-based cofinancing operations, which applied partner MDB ordinary-resource frameworks that do not cover concessional windows such as International Development Association or the African Development Fund.

Looking ahead, should AIIB wish to be better positioned to support less developed Members during future crises, it could consider preparing a more institutionalized approach in advance. While dedicated financial and technical support is already possible on an ad hoc basis under existing frameworks, advance preparation could enable more timely and predictable access when crises occur. The scope, scale, and modalities of any such mechanism would be for Management and the Board to determine.

The task now is to make exceptional performance routine.

The CRF showed how a young MDB can rise to global challenges when leadership, governance, partnerships, and staff unity align. It also illuminated priorities for systematic investment: technical assistance, concessional readiness, crisis protocols, and sector expertise.

Strengthening these areas will enable AIIB to respond effectively to future crises and to evolve into a mature, multi-instrument, climate-focused development institution with distinctive strengths.

Introduction

BACKGROUND AND CONTEXT

1. **The COVID-19 outbreak in early 2020 triggered unprecedented economic and social disruption across the globe.** Sharp contractions in output, employment, and investment threatened livelihoods and increased poverty, while health systems were strained to capacity. Fiscal space narrowed as revenues collapsed and emergency spending, particularly for social protection, surged, raising concerns about debt sustainability.[1] For the Asian Infrastructure Investment Bank's (AIIB) Members, the pandemic exposed structural vulnerabilities: under-resourced health systems operating under outdated institutional frameworks, limited fiscal buffers, and shallow domestic capital markets.[2] The international response, coordinated under United Nations (UN) frameworks, positioned multilateral development banks (MDBs) as key channels for rapid, scalable support. The collective MDB response mobilized resources at unprecedented scale and speed.[3]

2. **By early 2020, AIIB's 2019 portfolio of approved projects totaled approximately USD4.54 billion[4] and consisted exclusively of infrastructure investment projects.** Of the 279 staff, many had experience in results-based and policy-based instruments from previous MDB roles. However, there was no institutional track record in these modalities beyond a single results-based financing project that was cofinanced with the World Bank.[5] The Bank faced Member requests for emergency support that would test institutional agility and crisis-response capacity.

AIIB'S CRISIS RECOVERY FACILITY

3. **In responding to Member requests for support, AIIB faced a critical decision** – whether to constrain activities within its traditional infrastructure remit when infrastructure demand could be expected to decline or to join peer MDBs in providing broad emergency and countercyclical support. Deliberations centered on three issues:

   a. **Mandate and Reputational Risk:** One view held that a crisis facility would dilute AIIB's identity as an infrastructure bank. Another argued that macroeconomic stability underpinned sustainable infrastructure development and that supporting Members in crisis would reinforce, not undermine, the Bank's mission.
   b. **Risk Capacity and Readiness:** Given AIIB's brief operational history and experience confined to infrastructure project lending, a lack of institutional systems for emergency or policy-based lending, and limited deployment of staff capabilities in these areas, concerns arose about shouldering the greater sovereign and fiduciary risks implicit in emergency or budget-support operations. However, some staff brought relevant

1 World Economic Outlook, April 2020: The Great Lockdown. bit.ly/48NNw7L
2 AIIB. 2020. 2020 Annual Report, Responding to COVID-19. bit.ly/3Q9hzAy
3 OECD. 2020. Multilateral Development Finance 2020. bit.ly/4vLbj2i
4 AIIB. 2021. AIIB 2020 Annual Report. AIIB, Beijing. bit.ly/4ce2032
5 Egypt: Sustainable Rural Sanitation Services Program (Phase-2) Project

experience from previous MDB roles, which enabled rapid adoption of partner frameworks in the COVID-19 Crisis Recovery Facility (CRF).

c. **Governance and Oversight:** The importance of maintaining rigorous due diligence and accountability mechanisms despite accelerated timelines was broadly acknowledged.

4. **Establishing the CRF:** Management proposed establishing the CRF, with the Board providing swift approval and continued oversight throughout the facility period. The decision balanced risks: excessive caution could erode the Bank's relevance when Members most needed support, while overextension could jeopardize institutional credibility. In March 2020, under the leadership of the President and Senior Management and with strong endorsement from the Board of Directors, AIIB launched the CRF to help Members manage the pandemic's economic, health, and social shocks. An initial USD5-10 billion envelope was approved in April 2020. The CRF was subsequently expanded to USD13 billion (June 2020) and USD20 billion (February 2022) and extended through December 2023. Each expansion reflected the Management's and Board's growing confidence in the facility's results and institutional capacity.

5. **Risk Management:** Financial risk was mitigated by initially limiting the average maturity of policy-based financing loans to 12 years (versus the maximum average maturity of 20 years for infrastructure loans) and by applying country credit limits that reflected creditworthiness analyses that were informed by International Monetary Fund (IMF) and World Bank assessments. Operational risk was managed and mitigated through staff capacity building, recruitment of experienced international consultants, and extensive cofinancing with established MDBs.

Figure 1: Timeline of AIIB's COVID-19 Crisis Response Facility (2020-23)

Evolution of the Crisis

Waves of outbreaks **devastated lives and economies** on a large scale. Global response was still developing.	The global economy rebounded as vaccinations accelerated and economies reopened, but **recovery remained uneven** due to unequal vaccine distribution and fiscal capacity.	Geopolitical tensions, persistent inflation, and tighter fiscal conditions **slowed post-pandemic recovery**.	Global recovery remained slow and uneven, especially in **emerging markets** and **developing economies**.

AIIB Response	2020	2021	2022	2023
CRF Decisions	**April 16, 2020 -** CRF launched (USD5–10 billion envelope) till October 2021.	**April 2021 –** First Interim Review submitted to the Board. **June 2021 –** CRF extended until April 2022 with USD13 billion Envelope.	**April 2022 –** CRF extended to **year-end 2023**; envelope raised to **up to USD20 billion**; scope narrowed. **Q3 2022** – Second Interim Review conducted	**Dec. 31, 2023 –** CRF terminated. **March 2024** – Final Review submitted.
CRF Portfolio	**USD7.1 billion → 27 projects** in **19 Members** Focus: emergency health, PPE, liquidity.	**USD11.1 billion → 45 projects** in **25 Members** PBF cofinancing gains scale.	**USD13.6 billion → 56 projects** in **26 Members** Scope narrowed; vaccines + PBF dominate.	**USD18.5 billion** total approvals → **68 projects** in **26 Members** (92% utilization) Most projects disbursed within approximately seven months.
SFW	**May 7, 2020** USD30 million PPSF carve-out established SFW for concessional buy-downs.	**2020–2021 –** SFW supports four members (USD217.3m enabled)). **May 20, 2021 –** Additional USD25 million carve-out for vaccine financing.	**March 23, 2022** – SFW transitioned into **SFW-LDM**, permanent concessional tool.	**2021–2023** – Cambodia and Côte d'Ivoire used USD9.95 million for vaccine buy-downs.
Institutional Milestones	**October 2020** – Social Infrastructure Department established (foundation for Health Sector Strategy).			**2023** – AIIB developed Climate PBF concept; proposal under discussion with the Board. **June 2023** – Approach to Emergency Response approved.

Source: AIIB. 2024. Final Review of the COVID-19 Crisis Recovery Facility. AIIB, Beijing. bit.ly/427qVzj

6. **CRF Objectives, Design, and Operating Framework:** The CRF aimed to deliver fast, high-quality support while remaining anchored in AIIB's mandate. By year-end 2023, it had financed 68 projects totaling USD18.5 billion across 26 Members, addressing four scope areas of health response, social protection, private-sector liquidity, and economic management and policy reforms.[6] Grounded in the Articles of Agreement, the facility sought to maintain full compliance with AIIB's operational, fiduciary, procurement, and environmental and social (E&S) standards, while offering flexible modalities, including financial intermediary (FI) credit lines, retroactive financing, higher AIIB financing shares, and partner-cofinanced operations. AIIB was also authorized to cofinance World Bank and ADB program-for-results (PforR) financing and results-based lending (RBL) as well as fast-disbursing policy-based loans under peer MDB frameworks with shorter maturities and processing and disbursement timelines than regular operations. Delivery was accelerated through streamlined procedures, single Investment Committee (IC) review, simplified documentation, focused compliance checks, phased approach to E&S due diligence, and expanded sole-sourcing and hands-on support. Overall, the CRF sought to combine speed with discipline, strengthen AIIB's credibility, and leverage the commitment of the Board, staff, and Management during an unprecedented global crisis.

PURPOSE, SCOPE, AND AUDIENCE

7. **Purpose:** This thematic evaluation, prepared at the Board's request, assesses the CRF's performance and development effectiveness. The evaluation examines both the CRF's contributions to Members' pandemic response and its impacts on AIIB's institutional capacity. It assesses the facility's relevance, effectiveness, efficiency, and sustainability using the Organization for Economic Development's Development Assistance Committee's criteria and benchmarks AIIB's approach against those of peer MDBs.

8. **Scope and Audience:** This facility-level evaluation draws on project-level data and case studies from the CRF but does not comprehensively assess individual projects. The audience includes AIIB's Board, Management, operational departments, Member authorities, development partners, and the broader public to whom the Bank is accountable. The evaluation also assesses the CRF's contribution to AIIB's institutional development and identifies strategic and operational lessons to inform future crisis response and broader institutional strategy.

REPORT STRUCTURE

9. **This report is structured to guide the reader from basic concepts to comparative perspectives, evaluative findings, and forward-looking recommendations.** Chapter 2 provides an overview of the CRF portfolio's composition, delivery patterns, and financial profile. Chapter 3 benchmarks AIIB's response against those of peer MDBs. Chapter 4 provides evaluative assessments of the CRF's relevance, effectiveness, efficiency, and sustainability. Chapter 5 highlights longer term institutional changes catalyzed by the CRF. Chapter 6 identifies factors underpinning the performance of the CRF. Chapter 7 distills lessons and provides recommendations.

6 See Appendix A for full CRF Project List

The report's annexes provide detailed methodologies, case studies, and benchmarking tables. The full methodological approach, detailed theory of change, and limitations of the evaluation are provided in Appendix E and Appendix F.

CRF Portfolio Overview and Performance

CRF OVERVIEW

10. AIIB's launch of the CRF marked an unprecedented expansion of the Bank's operating scope. On April 16, 2020, AIIB's Board approved the CRF, authorizing a USD5-10 billion ringfenced envelope over an initial 18-month period to address the rapidly unfolding health, economic, and financial shocks of the pandemic. The approval paper characterized the decision as a necessary departure from business as usual, enabling the Bank to deploy financing across modalities that went beyond its traditional infrastructure operations.[7] The CRF was explicitly designed as a temporary, crisis-specific construct governed by existing policies unless otherwise decided by the Board, introducing enabling targeted policy derogations to accelerate processing and expand the scope of eligible financing instruments. The facility emphasized speed, flexibility, and operational streamlining: simplified documentation, single-stage internal reviews, retroactive financing, and reliance on peer MDB systems for PforR/RBL and PBF cofinancing. The approval paper underscored that without such flexibility and coordination with partners, AIIB risked being unable to respond effectively to the acute demands Members faced in 2020 and their evolving needs in the months ahead.

11. Successive extensions enabled AIIB to remain engaged through both the acute crisis and the multiyear recovery phase. As the pandemic persisted and client demand shifted from emergency health needs to vaccination, economic stabilization, and broad-based recovery, AIIB extended the CRF twice. The first extension (June 2021) prolonged the approval window from October 2021 to April 2022, justified by worsening outbreaks – particularly in South Asia – and rising vaccine-financing needs.[8] The Board paper noted fragile recoveries, limited fiscal space, and continued urgency for countercyclical support and recorded replenishment of the Special Fund Window (SFW) to support concessional vaccine financing for lower-income Members. A second extension, approved in early 2022, further extended operations until year-end 2023 and raised the indicative envelope to USD20 billion.[9] This phase narrowed CRF eligibility to three areas – vaccine cofinancing, PBF cofinancing for economic resilience, and essential health or urgent expenditure needs – while mainstreaming liquidity support into regular operations. Together, the extensions enabled AIIB to accompany Members beyond the crisis peak and into a prolonged, uneven recovery.

12. AIIB was learning by doing and developed new guidance and operational tools as it gained experience implementing the CRF. The CRF functioned as a live learning platform, with new guidance emerging in step with the rollout of early projects. To support results measurement beyond infrastructure, AIIB issued the Supplementary Note on Project-level Results Frameworks (June 2020), providing tailored indicators for health, liquidity, and economic-resilience operations and encouraging proxy, intermediate, and gender-disaggregated indicators suited to

7 AIIB. 2020. Paper on the Decisions to Support the AIIB COVID-19 Crisis Recovery Facility. bit.ly/4cdFWFT

8 AIIB. 2022. Extension of the Duration of the COVID-19 Crisis Recovery Facility. bit.ly/48Lqa2A

9 AIIB. 2022. Extension of the COVID-19 Crisis Recovery Facility. bit.ly/480Ep3k

crisis settings.[10] Two versions of the Guidance on PBF under the CRF were produced in 2020 and 2021, reflecting the evolution of AIIB's approach as PBF cofinancing became a central CRF instrument. The CRF Toolkit consolidated operational requirements, streamlined templates, and clarified the use of partner MDB systems. In parallel, Management introduced guidance on liquidity operations with financial intermediaries (June 2020),[11] accelerated the processing of emergency health projects, and expanded allowances for retroactive financing. These documents collectively illustrate an institution adapting its processes and capabilities in real time as it entered unfamiliar sectors and modalities.

13. **Throughout the facility period, AIIB maintained formal and structured accountability through periodic reporting to the Board.** CRF implementation was closely monitored through a sequence of formal reviews. An Interim Review (December 2020) assessed the first six months of operations, documented early demand patterns, confirmed the utility of streamlined procedures, and highlighted the predominance of health and liquidity operations at that stage. A Second Interim Review (February 2023) was mandated by the Board during the second extension. Following the closure of the facility at year-end 2023, Management submitted a Final Review (March 2024), summarizing utilization (92% of envelope), portfolio structure, financial effects, emerging lessons, and contributions to AIIB's institutional development. These reviews ensured systematic oversight, documented evolving client needs, and maintained transparency on decisions that introduced significant policy exceptions.

14. **AIIB prioritized transparency and public communication throughout the crisis.** From the outset, AIIB complemented internal reporting with a high level of public transparency. A dedicated CRF webpage was launched early in the crisis, serving as a single platform for all public-facing CRF materials: approval papers, Board decisions, operational toolkits, and reports. This included publication of the CRF Decision Paper, extension papers, PBF guidance, and the CRF Toolkit, together constituting a comprehensive disclosure package. The site also provided an evolving portfolio snapshot that allowed external stakeholders to track disbursements, cofinancing arrangements, and Member coverage. This transparency mirrored practices adopted by peer MDBs during the pandemic and supported AIIB's positioning as a responsive and accountable partner during a period of heightened uncertainty. CRF project summary information disclosures were posted publicly in due course, like regular operations.

PORTFOLIO ANALYSIS

15. **The CRF's USD18.5 billion portfolio represented the largest single expansion in terms of approved financing commitments, fundamentally altering the Bank's scale, composition, and delivery model.** This analysis examines portfolio structure, financing evolution, approval and implementation dynamics, balance sheet impacts, and environmental and social risk management.

10 AIIB. 2024. Supplementary Note on Project-Level Results Frameworks for Projects Considered under the COVID-19 Crisis Recovery Facility.

11 AIIB. 2020. Guidance Note on Liquidity Financing under the COVID-19 Crisis Recovery Facility through Financial Intermediaries.

The assessment reveals both the effectiveness of crisis-specific adaptations and the strategic implications of concentration patterns that shaped the facility's reach and institutional legacy.

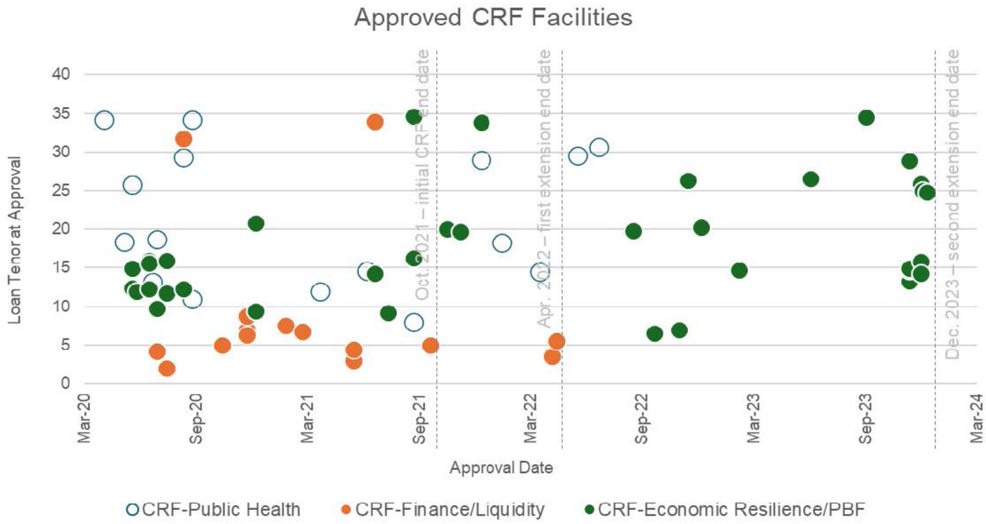
16. The CRF portfolio concentrated overwhelmingly on sovereign operations (95%) far above the pre-pandemic 69% level and was focused mostly on middle-income borrowers. Six Members – India, Indonesia, Pakistan, Bangladesh, Türkiye, and the Philippines – absorbed approximately 80% of total CRF commitments. This concentration reflects both the scale of pandemic-related needs in some of Asia's most populous countries and their institutional readiness to prepare and absorb large operations early in the crisis, supported by extensive pre-pandemic engagement with AIIB and established borrowing relationships. In terms of approved commitments, lower-middle-income economies accounted for 63% of CRF financing, upper-middle-income Members for 33%, while low-income Members received a very limited share (1%). In total, 96% of CRF volume went to middle-income Members. This distribution raised equity and allocative considerations, given that low-income Members faced acute pandemic impacts, constrained fiscal space, uneven access to vaccines, and heightened pre-existing vulnerabilities (see Appendix B).

Table 1: CRF Financing Approval Volume by Currency and Type (in USD million)

Facility Currency/Type	NSBF	SBF	Total	
USD	675	13,198	13,873	75.1%
EUR	-	3,599	3,599	19.5%
CNY	-	355	355	1.9%
JPY	-	350	350	1.9%
RUB	300	-	300	1.6%
Total	975	17,502	18,477	100.0%
	5.3%	94.7%	100.0%	

17. The composition of CRF financing evolved over time, shifting from emergency health and liquidity support toward policy-based cofinancing for economic resilience. Early operations (Q2-Q4 2020) were dominated by public health and economic resilience/liquidity modalities, reflecting urgent needs for medical supplies and containment measures. By 2022-23, the CRF had pivoted almost entirely to economic resilience and policy-based financing, marking a transition from immediate crisis response to recovery and structural reforms. This shift reflected both changing Member needs and facility design, as liquidity operations were phased out and health financing narrowed to vaccines and urgent expenditures. Overall, short-tenor, front-loaded liquidity operations in 2020-21 gave way to longer-tenor, cofinanced policy-based programs in 2022-23 supporting multisector reform agendas.

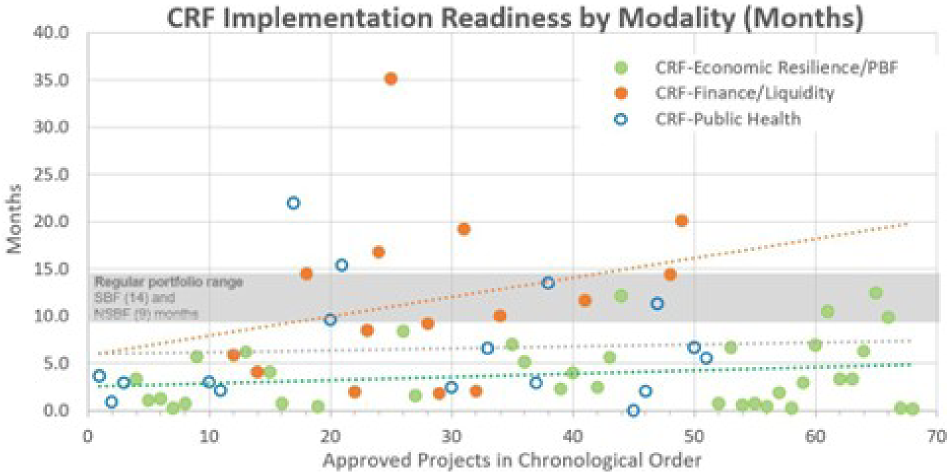
Figure 2: Approved CRF Facilities



18. Approval patterns show two distinct surges, consistent with crisis-response dynamics and end-window project finalization. The first surge occurred during April-August 2020, when around 30% of CRF financing and 20% of projects were approved, reflecting AIIB's ability to pivot rapidly through streamlined processes, including simplified internal reviews and virtual Board sessions. A second surge occurred in late 2023, as Members finalized eligible policy-based operations ahead of the facility's closure on Dec. 31, 2023. Approvals were otherwise relatively steady during the extension periods, suggesting that early signaling of end dates helped avoid excessive deadline-driven bunching. Tenor patterns also evolved, with short-tenor liquidity operations (averaging four to five years) giving way to longer-tenor policy-based financing (averaging 18 years) as operations increasingly supported recovery and reform agendas.

19. Delivery performance under the CRF (2020-23) outpaced AIIB's regular portfolio, underscoring the effectiveness of crisis-specific streamlining measures. Implementation readiness measured from approval to first disbursement was significantly faster than regular benchmarks, with around two-thirds of CRF operations disbursing more quickly. Median readiness was 5.6 months for sovereign and 10.4 months for nonsovereign operations, compared with regular portfolio averages of 14 months (sovereign-backed financing, SBF) and 9 months (nonsovereign-backed financing, NSBF). Policy-based financing operations were the fastest, reflecting their single-tranche structure, while public health and finance/liquidity operations took longer due to procurement, eligibility, and due-diligence requirements. Readiness slowed over time as the facility shifted from emergency response to recovery operations and preparation requirements returned closer to standard practice (see Appendix 2).

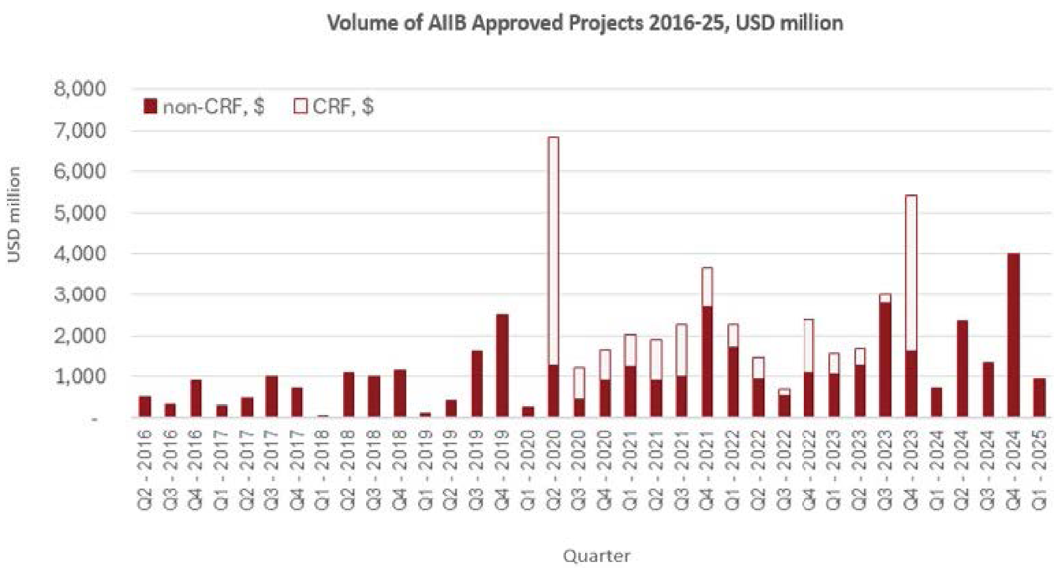
Figure 3: CRF Implementation Readiness by Modality (Months)



Projects on the chart are displayed in chronological order of approval along the horizontal axis.

20. **The CRF fundamentally reshaped AIIB's financial architecture.** Asset growth accelerated to 25% annually (2020-23), triple the pre-pandemic rate, with CRF exposures constituting 58% of loan income and 61% of outstanding balances as of year-end 2023. This expansion occurred without crowding out infrastructure operations. Regular non-CRF project approvals averaged USD0.8 billion pre-CRF and USD1.3 billion during CRF (see Figure 3). Credit quality remained investment-grade, though concentration created potential vulnerability. This experience reflects that countercyclical crisis response and development financing can coexist.

Figure 4: Volume of AIIB Approved Projects 2016-25, USD million



21. Environmental and social risk profiles aligned with financing modalities. Public health operations received Category B ratings for infection control protocols. PBF operations carried minimal E&S risk (Category C), relying on partner MDB systems. Finance/liquidity operations utilized oversight at the FI level rather than individual sub-borrower level. The portfolio maintained compliance with AIIB's E&S policies while accommodating crisis adaptations. In addition, E&S due diligence was maintained throughout the CRF, applied through modality-appropriate frameworks, namely, country systems assessment for policy-based operations, partner frameworks for cofinanced operations, and direct safeguards for standalone projects. The nature of E&S requirements differed by modality, but standards were not relaxed.

OVERALL ASSESSMENT

22. The portfolio analysis, which focuses primarily on volume and input measures, points to a mixed but instructive picture. Outcomes and effectiveness are assessed in the Evaluation Findings section. The CRF achieved substantial scale and speed, mobilizing USD18.5 billion and representing a 150% portfolio expansion over 2020-23, without displacing AIIB's regular operations, demonstrating that crisis response and long-term development financing can coexist. As a result, financing was highly concentrated, with 95% in sovereign operations and around 80% absorbed by six middle-income Members. This reflected differences in institutional readiness, existing borrowing relationships, and the limited availability of concessional resources, leaving low-income Members relatively underserved, reflecting the CRF cofinancing design, which relied on partner MDB ordinary-resource policy frameworks and middle-income Member systems. Several crisis-era practices proved effective, including streamlined approvals, simplified documentation, reliance on partner MDB frameworks, and frontloaded disbursement structures, but these were only partially embedded into regular (non-CRF) operations due to fiduciary, safeguard, and risk-management trade-offs inherent in infrastructure lending. The late surge in approvals primarily reflected the maturation of policy-based programs and clearer signaling of the facility's closure. Overall, the CRF was operationally successful by crisis-response metrics; in parallel, broader institutional constraints, such as limited concessional resources, affected equitable access for low-income Members, while efforts to mainstream efficiency-enhancing practices into regular operations are ongoing.

Box 1: Risk Matters: Balancing Stability and Development Reach

AIIB's CRF portfolio shows a deliberate risk balance. Most CRF approvals were extended to sovereign-backed borrowers rated in the triple-B range. Around 96% of CRF commitments were to middle-income Members, with only 1% to low-income Members. This pattern reflects the broader MDB dilemma: institutions are expected to help the poorest countries yet must preserve their own financial strength to ensure they can respond effectively when crises occur. Maintaining strong capital adequacy and prudent risk buffers is essential for MDBs' countercyclical capacity and credibility with capital markets.

Financial resilience underpins development effectiveness. A bank that undermines its financial standing cannot mobilize funding at scale when crises strike. MDBs cannot rely on frequent recapitalizations from shareholders and must therefore safeguard self-sustainability through adequate returns and diversified risk exposures. AIIB's AAA credit rating depends on sound portfolio quality and stable income generation to preserve its capitalization.

Under the CRF, SBF dominated, while NSBF remained around 5% of total approvals. Yet NSBF operations are potentially more profitable and help accumulate reserves and retain earnings, especially in a wider spread environment. In crisis periods, however, liquidity support to sovereigns plays a stabilizing role, and lower margins are offset by reduced credit risk as evidenced by default rates below 1% for BBB-rated sovereign-risk in the Global Emerging Markets database, below those of commercial lenders.

The CRF also broadened AIIB's client base and geographic diversification, bringing several first-time borrowers and new sectors (notably health and social protection) to diversify away from infrastructure. This diversification, together with innovations such as PBF, strengthened AIIB's operational readiness for future shocks. The growth of nonsovereign operations, while carrying higher risk weights, contributes to portfolio diversification and revenue enhancement. Capital headroom is maintained through overall portfolio risk management and prudent sovereign credit quality.

Sources:

1. Global Emerging Markets Risk Database. 2024. Sovereign and Sovereign-guaranteed Lending. bit.ly/4mDBNi4
2. Boosting MDBs' investing capacity. 2022. An Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks. bit.ly/4csq80U

Benchmarking Against Peer MDBs

SCALE COMPARISON: PROPORTIONAL LEADERSHIP DESPITE SMALLER ABSOLUTE VOLUME

Table 2: MDB COVID-19 Response: Absolute Volume and Proportional Stretch

MDB	Pre-Crisis Balance Sheet (USD bn)	COVID Response (USD bn)	Response as % of Balance Sheet	Lending Growth 2020-21 vs. 2019	New Sectors Entered
AIIB	23	18.5	80%	+200%	Health, Liquidity, PBF
NDB	15	10	67%	+150%	Health
WBG	~600	160	27%	+40%	Enhanced health
ADB	~270	20	7%	+55%	Enhanced health
IMF	~1,000 capacity	250	25%*	N/A	Emergency facilities

Note: *IMF percentage based on announced capacity; pre-crisis balance sheet metrics differ from MDB structures. AIIB row highlighted to emphasize proportional leadership.

Source: AIIB CRF Final Review (2024). bit.ly/4tOwMWf; Annual Reports from IMF, ADB, NDB, and WBG; IMF Lending Data. bit.ly/4cssf4Q

23. AIIB's USD18.5 billion CRF response ranked fourth in absolute terms among major MDBs but was the largest relative to its pre-crisis balance sheet, amounting to approximately 80%. This share exceeded that of larger MDBs, including ADB (7%) and the World Bank (27%), and was also higher than that of a peer young MDB, the New Development Bank (67%). AIIB's lending volume increased by approximately 200% in 2020-21 compared to 2019, representing the steepest growth rate among major MDBs during the crisis period. This scale-up occurred alongside entry into three new operational areas: health, liquidity support, and policy-based financing. While cross-institutional differences in mandate, balance-sheet size, and risk tolerance limit direct comparability, the evidence indicates that AIIB made an unusually large relative contribution to crisis financing given its institutional size and stage of development.

TIMELINE AND INSTRUMENTS: STRATEGIC ADAPTATION THROUGH PARTNERSHIP

24. MDBs with pre-existing crisis and liquidity instruments such as the World Bank's Contingent Emergency Response Component (CERC) and Catastrophe Deferred Drawdown Option (CAT-DDO) and ADB's Countercyclical Support Facility (CSF) and COVID-19 Pandemic Response Option (CPRO) were able to deploy financing rapidly at the onset of the pandemic. AIIB did not have comparable legacy instruments for crisis, trade, or working-capital finance at the start of COVID-19. Instead, AIIB adapted by leveraging cofinanced policy-based financing, which accounted for 63% of CRF commitments by late 2021, allowing it to rely on partner MDB frameworks to achieve comparable deployment speeds. Over time, this approach supported both rapid response and institutional learning, as AIIB developed its own capabilities while transitioning from emergency response operations toward policy-based financing. The CRF experience suggests that, while pre-existing crisis frameworks enable speed, strategic partnerships can effectively offset initial instrument gaps and accelerate capability development in newer institutions.

Table 3: MDB COVID-19 Response Timeline and Instrument Mix

MDB	First Announcement	Formal Launch	Pre-existing Emergency Framework?	Primary Instruments Used
World Bank	March 3, 2020	March 17, 2020	Yes (CERC, CAT-DDO)	DPO (35%), Health Investment (25%), Other (40%)
EBRD	March 13, 2020	March 13, 2020	Partial (Trade Facilitation)	Trade Finance Expansion, Liquidity Support
ADB	March 18, 2020	April 2020	Yes (CSF) / No (CPRO)	PBL/CPRO (40%), Health (20%),
AIIB	April 3, 2020	April 17, 2020	No	PBF (63% by late 2021), Health (15%), Liquidity (15%), Other (7%)

Note: Instrument percentages approximate based on portfolio composition by value. CERC = Contingent Emergency Response Component; CAT-DDO = Catastrophe Deferred Drawdown Option; CSF = Countercyclical Support Facility; CPRO = COVID-19 Pandemic Response Option; DPO = Development Policy Operation; PBL = Policy-based Lending; PBF = Policy-based Financing. Source: WBG. 2020. World Bank Group Announces Up to $12 Billion Immediate Support for COVID-19 Country Response. bit.ly/4tf0ROD; ADB. 2020. ADB Announces $6.5 Billion Initial Response to COVID-19 Pandemic. bit.ly/4mDyU0K; AIIB. 2020. bit.ly/4vyYPuu; EBRD. 2020. EBRD unveils €1 billion emergency coronavirus financing package. bit.ly/4cssigV; AIIB CRF Final Review (2024). bit.ly/4tOwMWf; Independent evaluations from WBG Independent Evaluation Group (IEG) and ADB.

Table 4: AIIB CRF Cofinancing Structure and Benefits

Partnership Category	Volume (USD bn)	% of Total CRF	Primary Instruments	Key Strategic Benefits
ADB-led Operations	9.79	53%	PBL/CPRO, Health, Infrastructure	Regional expertise, CSF framework access, seven first-time borrowers
World Bank-led Operations	5.72	31%	DPO, Health, Social Protection	Global reach, analytical depth, three first-time borrowers, nonregional access
EBRD-led Operations	0.08	<1%	Liquidity Support	Private sector models, transition economy expertise
AIIB-led Operations	3.0	16%	Health, Infrastructure, Some Liquidity	Direct Member relationship building, operational learning
TOTAL CRF	18.5	100%	—	11 first-time borrowers total, 26 Members reached

Note: First-time borrower counts for ADB and World Bank partnerships are estimates based on portfolio review; some economies may have had previous AIIB exposure through other channels. Volumes and percentages from AIIB CRF Final Review.
Source: AIIB CRF Final Review (2024). bit.ly/4tOwMWf, AIIB internal data

25. AIIB's extensive use of cofinancing under the CRF was an appropriate strategic response to crisis conditions and the Bank's institutional stage. Partnerships with ADB (53% of CRF financing) and the World Bank (31%) enabled rapid deployment by leveraging established policy-based financing frameworks, regional expertise, and quality assurance systems, while reducing preparation costs and accelerating disbursements. These arrangements also generated substantial institutional learning benefits for AIIB, including experience in policy-based lending design, strengthened engagement with finance ministries, and expanded monitoring and results frameworks. Cofinancing facilitated entry into 11 first-time borrowing Members, significantly broadening AIIB's operational network. At the same time, the 16% CRF financing led by AIIB provides an initial foundation for evolution toward more balanced partnerships, in which AIIB continues to collaborate closely with peers while selectively assuming leadership roles in areas of comparative strength such as climate-aligned infrastructure, sustainable connectivity, and crisis-response deployment without foregoing the learning and risk-mitigation benefits of cofinancing.

OVERALL ASSESSMENT

26. Benchmarking the CRF against other MDB pandemic responses highlights several positive aspects of AIIB's lending response. Total CRF commitments reached around 80% of AIIB's pre-pandemic balance sheet, the highest proportion among comparative MDBs. Extensive cofinancing with MDB partners (84% of CRF financing) enabled rapid disbursement at scale, supported staff learning, expanded AIIB's network to 11 first-time borrowers, and extended operations across 26 Members and three new sectors. In terms of lending volume, this finding reflects the CRF's substantial scale USD18.5 billion representing approximately 150% portfolio expansion over 2020-23, which drove institutional adaptations that would not have occurred at smaller volumes.

27. Three strategic implications follow from the portfolio analysis, with supporting evidence from the effectiveness assessment in Section 4. First, moving toward more balanced partnerships will require strengthened upstream technical assistance, pre-positioned crisis-response instruments relevant to infrastructure and climate shocks, and selective capability development at the infrastructure–crisis nexus. Second, AIIB's high lending volume relative to its institutional size indicates that young MDBs generally achieved strong results even with limited absolute resources. Third, while extensive cofinancing was appropriate under crisis conditions, sustained institutional development will require a gradual shift toward greater AIIB leadership in specialized areas while maintaining collaboration on complex operations. Overall, the CRF illustrates how purpose-built crisis facilities, partnership-based delivery, and focused capability building can support effective crisis lending while accelerating institutional maturation.

Evaluation Findings

RELEVANCE

28. This section evaluates the extent to which CRF design was aligned with Member needs and priorities, was consistent with AIIB's mandate, and deployed appropriate instruments.

Alignment with Member Needs and Priorities

29. Across 10 sampled Members, government needs assessments reflected three priorities: (i) strengthening health sector capacity; (ii) economic stabilization and livelihood protection; and (iii) fiscal support for recovery. Members including China, Indonesia, the Philippines, and Türkiye identified gaps in disease surveillance, testing capacity, intensive care readiness, and public health facility capacity. China's assessment highlighted the need for emergency health transfers, in special loan facilities for medical equipment, and in tax relief for enterprises and individuals affected by the pandemic. Indonesia and the Philippines indicated shortages of beds, laboratory capacity, and case-management capabilities.

30. The CRF's relevance stemmed from its alignment with these Member-identified priorities. Rapid 2020 needs assessments supported by MDBs and UN partners confirmed three areas of urgent need: (i) closing health-system gaps, (ii) mitigating economic shocks through stabilization measures and livelihood support, and (iii) protecting vulnerable populations through fiscal transfers and social protection. The CRF's flexible design enabled tailored, country-specific responses, thereby ensuring that AIIB financing addressed the combination of needs identified by each Member.

31. Based on the case studies (Appendix D), the relevance of the CRF can be evaluated against the needs assessment of its clients (Box 2). The four principal scopes of the CRF – health infrastructure, social protection, private-sector liquidity support, and longer term policy reform – were comprehensively directed at addressing the core needs identified by governments. At the project level, the scope areas of projects were congruent with the needs assessments and priorities of Members. Thus, the financing can be judged to be fully appropriate and relevant across both the crisis and recovery phases.

Box 2: Member Needs Assessments and CRF Alignment – Evidence from Selected Cases

Bangladesh. Priorities included expanding transfer programs for the underprivileged and countercyclical measures such as salary payments for export workers, working capital loans for affected sectors, and enlarging the Export Development Fund. Social assistance targeted housing for the homeless, unemployment support, health insurance for government employees, and bonuses for health workers. The Government of Bangladesh launched a response package totaling USD11.2 billion in 2020, including wage subsidies for export-oriented industries, loans to affected industries and small and medium-sized enterprises (SMEs), and expanded social safety nets reaching over 18 million poor and vulnerable people.

Indonesia. Key needs focused on strengthening health system capacity, including beds, equipment, and lab facilities, and improving surveillance and contact tracing through better coordination and integrated systems. Economic priorities included a countercyclical package (4.4% of gross domestic product (GDP)) for health, social assistance, SME credit programs, and bank equity injections. Longer term needs involved investments in hospitals, WHO-aligned prevention measures, risk communication, and social impact mitigation.

Philippines. Main priorities were enhanced quarantine, expanded medical services, stronger social protection, and a fiscal stimulus (3.6% of GDP), supported by monetary and financial policies. Vulnerable communities were aided through higher fiscal transfers and emergency loans to local governments. Health-sector needs included boosting lab capacity, treatment protocols, infection control, and preparing for mass vaccination.

Türkiye. Immediate needs centered on monetary relaxation and easier lending by state-owned banks to spur credit growth, complemented by fiscal stimulus measures such as corporate tax cuts for tourism. Social impact measures included higher pensions and cash assistance, extra payments for health workers, reduced education taxes, and a temporary ban on redundancies.

Responsiveness of CRF Design and Instruments

32. The CRF's relevance was enhanced by its ability to adapt rapidly across phases of the pandemic.

33. Flexible and innovative instruments. RBF and PBL enabled policy-based financing support, performance-linked health system investments, rapid budget support, and structural reform programs. These modalities relied on the knowledge and country dialogue of MDB partners. These flexibilities in financing modalities, scope of coverage, and expedited processes were central to enabling a swift and needs-responsive CRF rollout.

34. Financial reach and expanded membership. The USD18.5 billion in financing represented a 150% expansion of AIIB's active portfolio, with a 92% utilization rate. Operations with Cambodia, Mongolia, and Rwanda established new client relationships that led to follow-up infrastructure operations. New relationships with private-sector clients were exemplified by VPBank and Türkiye Exim Bank.

35. The CRF proved to be of limited relevance for low-income Members. It was largely relevant for creditworthy Members, reflecting AIIB's prudent credit standards. Within this framework, engagement with low-income Members was more limited, particularly where debt sustainability constraints restricted the scope for direct lending. Grant resources through the SFW offered a potential pathway to enhance affordability within AIIB's credit parameters; however, the availability of upfront grant commitments constrained the extent to which CRF financing could be expanded to low-income Members.[12]

36. CRF value in terms of volume. The value addition to clients of CRF support lay in the volume of financing at a time of acute need for resources by Members to fill external financing needs and fiscal gaps. CRF support of USD18.5 billion was a significant share of total multilateral support of USD126 billion.[13] The value addition as measured by knowledge transfers or technical assistance was limited, especially in the emergency phase of the CRF, as AIIB relied on the technical prowess and appraisal capabilities of its development partners.

12 The operations and limitations of the concessional finance window are discussed in Chapter 5 of this report.

13 OECD. 2025. Strategic Joint Evaluation of the Collective International Development and Humanitarian Assistance Response to the Covid-19 Pandemic. bit.ly/4mvL4bX

Box 3: Assessing CRF Relevance Against UNAIDS Crisis Response Lessons

UNAIDS (2020) identified seven lessons from the HIV response relevant for COVID-19 strategies, especially for vaccination, communication, and protection of vulnerable groups. A comparison with CRF-supported operations shows strong alignment in several areas while highlighting opportunities to strengthen future crisis-financing design:

1. **Early community engagement.** CRF operations attempted localized engagement, though lockdowns and emergency conditions limited sustained community codesign. Future crisis instruments should embed explicit, front-end community engagement and communication mechanisms in project design.

2. **Combat stigma and discrimination affecting vulnerable groups' access to care.** Not applicable for a pandemic, such as COVID-19.

3. **Affordable testing and care.** Most CRF operations ultimately achieved broad population coverage despite initial shortages. This underscores the value of sustained financing throughout crisis phases and the need for pre-positioned resources and rapid procurement modalities.

4. **Removing barriers to self-protection.** People cannot protect themselves by staying home, isolating, or seeking testing if they fear losing income or cannot afford healthcare. CRF-supported governments addressed these barriers through wage subsidies, healthcare financing, and public information campaigns. This reinforces the importance of coupling social protection with health measures to enable effective self-protection during crises.

5. **Proportionate, evidence-based restrictions.** CRF-supported actions were generally science-based, although expert views on lockdown duration evolved. Future frameworks should include adaptive management features and explicit assessments of impacts on vulnerable groups.

6. **Global cooperation.** While beyond CRF's direct scope, vaccine inequity and cross-border challenges point to an opportunity for MDBs to integrate international coordination and knowledge-sharing elements more explicitly in future crisis-response facilities.

7. **Protecting health workers.** CRF operations prioritized health-worker support given extreme system pressures. Maintaining this focus post-crisis is vital for long-term system resilience.

Source: UNAIDS. 2020. Rights in the time of COVID-19: Lessons from HIV for an effective, community-led response. bit.ly/48P8rau

Relevance of the Strategic Alignment with AIIB Mandate

37. The CRF's alignment with AIIB's core mandates warrants careful examination. Under Article 1 of the Articles of Agreement, AIIB's purpose centers on fostering sustainable economic development, creating wealth, improving infrastructure connectivity, and promoting regional cooperation. Article 2.2 provides that functions should include financing for the development of infrastructure and other productive sectors and promoting private capital investment. The evaluation assessed whether the CRF's engagement in health financing, social protection, and policy-based lending was consistent with these provisions and found that it was, on three grounds. First, infrastructure development depends fundamentally on macroeconomic stability. By supporting fiscal resilience and economic activity and productivity during the pandemic, CRF operations preserved – in coordination with other IFIs – the enabling conditions for future infrastructure investment. Second, Article 2.2's reference to "other productive sectors" provides flexibility for activities that underpin economic productivity, including health systems essential for workforce participation and social protection that maintains household purchasing power. Third, regional cooperation, a core AIIB objective, was advanced through coordinated MDB responses that strengthened pandemic preparedness across Members.

Evolution Across Phases

38. Relevance across CRF phases. The evaluation finds that the CRF's relevance evolved across two phases, with scope areas remaining broadly aligned to Member needs but shifting in emphasis as the crisis moved from emergency response to recovery.

39. Emergency phase (2020-21). The CRF's scope areas were relevant to immediate needs, focusing on public health response and near-term stabilization through emergency health interventions, social assistance, liquidity support, vaccine and medical procurement, and budget support to maintain essential expenditures; approximately 65% of approvals in this period addressed urgent health and immediate social/economic disruption.

40. During the recovery phase (2021-23), relevance was increasingly tied to supporting policy and institutional reforms that would underpin economic recovery, as Members faced compounding pressures, including inflation, supply-chain disruptions, and rising debt vulnerabilities. This led to a pivot toward PBL supporting reforms in areas such as business climate, tariffs and subsidies, SOE governance, and capital-market development. During this phase, significant support was extended for mass vaccinations.

41. Relevance of late-2023 approvals and use of the CRF window. The evaluation finds that the increase in CRF approvals toward the end of 2023 reflects less the original public health emergency and more the maturation of policy-based programs that require sustained preparation and sequencing, combined with borrowers' incentives to finalize eligible operations before the facility closed on Dec. 31, 2023. From an evaluative perspective, using the CRF window for these operations was justified insofar as the facility's mandate had been explicitly extended to support recovery and resilience in response to continuing crisis conditions, and the CRF's streamlined processes and cofinancing modalities facilitated timely delivery at a scale that would not have been achievable under regular procedures. At the same time, the evaluation notes that, in substance, many late-phase policy-based operations resembled regular sovereign operations and that, as the facility approached closure, reliance on the CRF created a risk of blurring the boundary between exceptional crisis financing and business-as-usual lending. Overall, the evaluation concludes that late-phase CRF operations were relevant to recovery needs, but that future crisis facilities would benefit from clearer criteria for when operations should transition back to regular channels (e.g., based on crisis intensity, instrument type, and additionality of streamlined procedures) to preserve the exceptional character of crisis windows while maintaining responsiveness.

Relevance of the Cofinancing Model and AIIB's Value Added

42. The partnership with World Bank and ADB provided essential technical leadership, analytical frameworks, and implementation support when AIIB lacked specialized health, social protection, and policy-based operation expertise. It facilitated instrument innovation as AIIB introduced RBF and PBL by participating in well-structured partner-led programs. Through this process, institutional learning was accelerated. AIIB is now at the point where it can make technical contributions and engage in substantive policy dialogue, analytical work, and technical assistance.

EFFECTIVENESS

43. This section assesses whether the CRF achieved the four scope areas: immediate pandemic health infrastructure response; immediate social protection and income transfers; immediate support to the private sector; and longer term economic management and policy reforms.

Objective 1: Health Infrastructure and Systems Response

44. The CRF supported health infrastructure through 18 operations totaling USD3.7 billion (20% of the facility), addressing diagnostic testing, treatment facilities, medical equipment, vaccine deployment, and health system preparedness. Project completion data and field assessments indicate strong effectiveness across diverse Member contexts.

45. The China Emergency Assistance for Public Health Infrastructure project illustrates CRF health-sector impact. This USD355 million standalone loan, the earliest CRF operation, strengthened municipal public health emergency response systems in Beijing and Chongqing. The operation upgraded laboratories, surveillance capacity, and emergency equipment; established a unified Emergency Dispatch and Command Information System; and pioneered operational linkages across China's Centers for Disease Control and Prevention. Early detection capacity improved markedly, with upgraded laboratory capabilities now integrated into mainstream infectious disease management. The project also embedded AIIB procurement and financial management standards and contributed to workforce development through staff training programs. Municipal authorities noted that development impact could have been further enhanced with international expertise in health management, indicating the value of complementary technical assistance in future AIIB health operations.

Figure 5: The CRF Pioneer: Emergency Assistance to China's Public Health Infrastructure

46. **Hungary, highly vulnerable to the pandemic due to its aging population, responded rapidly and comprehensively (Figure 6).** CRF lending in an amount of USD216.1 million for the Emergency Assistance for Healthcare Expenditures Project was aimed at strengthening the public health emergency response infrastructure and to improve pandemic preparedness. It improved case management capacity and financed medical equipment; strengthened hospital laboratory systems; and refurbished hospital buildings.

Figure 6: Hungary's Emergency Assistance for Healthcare Expenditures Project

Hungary's Emergency Assistance for Healthcare Expenditures Project

Background

The pandemic interrupted Hungary's strong economic growth performance in 2016-19, marked by the lowest unemployment rates in three decades and significant increases in real income.

In March 2020, Hungary declared a national state of emergency and announced a **Pandemic Protection Fund** of approximately **EUR1.8 billion** to support the health care system and cover pandemic related costs.

Under these conditions, AIIB approved the only CRF operation in Hungary, the **Emergency Assistance for Healthcare Expenditures Project**, on Aug. 27, 2022. The project objective was to strengthen the **public health emergency response infrastructure** and improve Hungary's **pandemic preparedness**.

What Happened

AIIB gave a **USD207 million loan** with three project components of 1) building case management capacity, 2) strengthening hospital laboratory systems, 3) refurbishing hospital buildings.

The borrowing entity was Hungary's **Ministry of Finance** and at the start, the **Department for International Finance** under the Ministry of Finance led implementation which was later switched to **the Department for International Cooperation and Development Finance** under the Ministry for Economic Development (MoED) due to reorganization of the central government administration.

Results and Successes

Hospital Upgrades:

17 public hospitals that completed the planned upgrading through the support of the project.

Equipment Utilization

Utilization rate of **100%** for COVID-19 diagnostic equipment, test kits, and reagents financed by the project.

Case Management Capacity

95 designated hospitals and quarantine centers fully equipped with supplies for case management.

The envisaged Project Results were **fully achieved.** Component one supported the immediate expenditures incurred for the management of COVID-19 patients and protected high-risk groups and healthcare professionals through the provision of **masks and protective gear**, medical devices, enabling personnel to handle an increased number of patients requiring intensive care (i.e., vital sign monitors, and oxygen therapy devices) and ancillary medical products. Component two financed the emergency procurement of laboratory equipment, test kits, reagents, and other supplies to **increase testing capacity** per the national COVID-19 guidelines and **regular case reporting for surveillance** purposes. It also helped Hungary increase and maintain a higher level of its **laboratory and testing capacities** for detection purposes, to ensure the **resilience of its healthcare system** to handle a larger caseload during the COVID-19 pandemic.

AIIB Project Team Interview (Sep. 15, 2025)

Interviews with the AIIB's project team highlighted:

- As one of the first standalone CRF projects, it relied heavily on **consultants** for due diligence and procurement due to **lack of local presence**. Centralized procurement through a contractor contributed to effective design.
- At the time, no clear emergency framework existed; feedback highlighted the need for **dedicated emergency instruments**
- The Hungarian government responded **positively**, appreciated the support, and **valued strong communication** despite travel restrictions and lack of co-financiers.

Lessons and Insights

- **Ongoing Investment Needs:** Despite significant improvements, further refurbishments are needed. However, future financing remains uncertain due to the closure of the CRF and the principles of AIIB's Non-Regional Member Strategy.
- **Centralized Procurement System**: The pandemic prompted Hungary's health authority to introduce an IT-based system for centralized procurement and tracking of medical supplies, improving efficiency, cost control, and stock management.
- **Flexibility on Financial Covenants**: AIIB's acceptance of permitted liens for derivative operations addressed borrower concerns over negative pledge clauses, offering a useful precedent for future engagements with sophisticated debt managers.
- **Value of Independent Monitoring**: Contracting ECRI as lender's monitor proved highly beneficial, ensuring technical adequacy, verifying equipment functionality, and providing recommendations to optimize hygiene and sustainability measures.

Overall Assessment

The **Hungary – Emergency Assistance for Healthcare Expenditures Project** was relevant and well aligned with CRF objectives. The loan's financial management process, including smooth settlement in EUR and favorable pricing levels, proved beneficial for the borrower. As a **standalone** project with a **nonregional, high-income country**, the project was a strong demonstration of the Bank's commitment to serving its members.

47. **Indonesia – Emergency Response to COVID-19 Program.** Indonesia entered the pandemic with limited capacity to prevent, detect, and rapidly respond, characterized by inadequate service readiness, reduced laboratory performance, and weak contact-tracing capability. AIIB's first CRF results-based financing was a USD250 million Emergency Response operation cofinanced with the World Bank's PfoR in June 2020, building on AIIB's prior experience with cofinanced operations. Disbursements were conditioned on results focused on hospital and health system readiness, strengthened public laboratories and surveillance systems, and enhanced pandemic preparedness. A subsequent USD500 million additional financing in June 2021 reinforced these reforms and supported the development of a vaccination delivery chain. All disbursement-linked indicators were achieved, with long-term development impact evident in strengthened genomic public health, surveillance, and pandemic-preparedness systems.

Figure 7: From Crisis to Capacity: Indonesia's Result-Based COVID-19 Response

From Crisis to Capacity: Indonesia's Result-Based COVID-19 Response

Background

When the COVID-19 pandemic hit in early 2020, Indonesia faced severe constraints only **42 testing laboratories**, fewer than **2,400 ICU beds**, and weak surveillance capacity across **514 districts**.

The Government launched a **USD14.9 billion** national health and social-protection plan to mitigate the crisis.

To support this response, the **Asian Infrastructure Investment Bank (AIIB)** and the **World Bank** cofinanced the **Emergency Response to COVID-19 Program**—the **first-ever global application** of the **Program-for-Results (P4R)** instrument in an emergency. The partnership mobilized **USD1.51 billion** (AIIB USD750 million, World Bank USD750 million, KfW and Australia USD10 million).

What Happened

Using Indonesia's national budget and audit systems, disbursements were linked to **14 Disbursement-Linked Indicators (DLIs)** measuring progress in hospital readiness, laboratory capacity, testing, vaccination, and risk communication.

The **National Audit Agency (BPKP)** verified all results through a harmonized framework. AIIB's Board approved the use of the **World Bank's P4R policy** in lieu of its own Environmental and Social Policy an institutional innovation that allowed for **a unified safeguards and verification system** built on Indonesia's national systems.

Results and Successes

Health-system surge:

ICU beds expanded from **2,355 → 35,908** (≈ 600% of target); isolation beds surpassed **100,000**.

Diagnostics:

Testing capacity rose from **3,000 → 582,000** tests/day; laboratories increased more than **26-fold to 1,100+**.

Vaccination:

By end-2023, **86%** of Indonesians had received one dose and **75%** were fully vaccinated—making Indonesia the **7th country globally** to surpass **100 million doses.**

Service continuity:

Essential non-COVID services maintained at approximately **88%** of pre-pandemic levels.

Environmental and social systems:

The **SIKELIM digital medical-waste platform** was rolled out nationwide, and more than **103,000 public queries** were handled via the Ministry of Health's grievance hotlines.

All **14 DLIs** were achieved, the program was fully disbursed and rated **Satisfactory** for both **Project Development Objective (PDO)** achievement and **implementation progress.**

AIIB Evaluation Mission (Oct. 20–23, 2024)

As part of the CRF Thematic Evaluation, an AIIB team visited **Jakarta** and **Bogor** to meet with the **Ministries of Health and Finance, ADB**, the **World Bank Office**, and the **Small and Medium Enterprises Association**.

The mission confirmed the P4R instrument's effectiveness in enabling **rapid, results-linked financing through country systems**, while identifying opportunities for future operations to strengthen **primary healthcare and local enterprise resilience.**

Lessons and Insights

- **Instrument choice matters:** P4R proved highly effective for crisis response where country systems were mature and accountable.
- **Co-financing efficiency:** The lead-financier model minimized transaction costs and unified results monitoring.
- **Verification builds trust:** Independent DLI audits reinforced transparency and confidence among all financiers.
- **Emergency investment as system-builder:** Laboratory and surveillance expansions now underpin routine public-health and genomic-medicine programs.
- **Equity and communication:** Targeted outreach remains essential to improve elderly vaccination rates and sustain community trust.

Overall Assessment

Indonesia's **Emergency Response to COVID-19 Program** stands as a **global benchmark** for **results-based co-financing in health emergencies** delivering **speed, scale, and accountability** while embedding **lasting institutional capacity, public-sector resilience, and national preparedness** for future pandemics and climate-related health shocks

48. **The Maldives – Emergency Response and Health Systems Preparedness Project,** a USD14.6 million operation cofinanced with IDA and supported by an interest-rate buydown under the SFW, strengthened core public health capacities in a small and fiscally constrained state. The operation expanded disease surveillance and decentralized diagnostic capacity across islands, improved quarantine and intensive care unit (ICU) readiness, reinforced infection prevention and control, and supported risk communication and community engagement, all aligned with the national contingency plan. The project was structured to comply with IDA nonconcessional borrowing policy constraints, demonstrating how targeted concessional features can enable effective crisis response without undermining debt sustainability.

49. **The Philippines – Emergency response and health system enhancement operations demonstrate how sequenced CRF support responded to evolving pandemic needs.** The Philippines entered the pandemic with limited testing capability and shortages of hospital beds and ventilators. The first CRF operation, a USD750 million policy-based loan cofinanced with ADB, expanded health-sector staffing, diagnostic capacity, and treatment facilities while strengthening infection prevention and control. A second operation, a USD300 million health system enhancement project also cofinanced with ADB, supported the national vaccination program, including vaccine procurement systems, cold-chain capacity, and health workforce readiness. Both operations achieved output targets ahead of schedule, contributing to longer term gains in vaccine-management systems and regional public health services.

Figure 8: Philippines Dual-track Health Response

Philippines Dual-Track Health Response

Background

In March 2020, the Philippine government announced several **fiscal stimulus packages** to respond to COVID-19 pandemic.

It covered several priority actions and measures, including: (i) enhanced quarantine to reduce the infection rate; (ii) expanded medical services to step up testing and care for the affected population; (iii) social protection and livelihood support to help mitigate the immediate impacts on livelihoods and employment; (iv) a small business relief program; (v) support for agriculture and other economic sectors; and (vi) local government support.

What Happened

On May 27, 2020, the AIIB Board of Directors approved the COVID-19 Active Response and Expenditure Support (CARES) Program under the COVID-19 Response Facility, as a USD750 million sovereign-backed financing loan to the Republic of the Philippines. The loan was signed on June 5, 2020, and declared effective on June 30, 2020. The Program was co-financed with the **Asian Development Bank (ADB)** under ADB's Countercyclical Support Facility COVID-19 Pandemic Response Option (CPRO) with a total amount of USD1.5 billion.

This Program in the Philippines supported various government programs and initiatives to address the impacts of the COVID-19 pandemic. It provided **critically needed budgetary support** to assist the government of the Philippines in mitigating the adverse health, social, and economic impacts of COVID-19.

Results and Successes

Economic Stimulus

As of June 30, 2021, the following had been disbursed: (i) **MSME assistance** including GFI capital infusions to support lending and loan guarantees (₱99.4 billion); (ii) **agriculture** (₱32.5 billion); (iii) **education** (₱15.9 billion); (iv) **transport** (₱9.4 billion); and (v) **tourism infrastructure** (₱576.7 million).

Disease Prevention

By May 2022, the daily testing capacity had increased to **96,757.** As of July 2020, the turnaround time for COVID-19 testing was reduced to 2–3 days. By February 15, 2021, it was further reduced to **1.38 days** (33.12 hours).

The Program was implemented successfully to assist the Philippine Government in managing the spread of COVID-19 and reducing poverty in the Philippines. **It increased testing capacity**, reaching 96,757 daily tests by May 2022, and provided frontline health workers with **health insurance and risk allowances**. It also delivered social protection measures, including conditional cash transfers and emergency subsidies. Regarding economic resilience, support was provided to highly affected sectors, such as MSMEs and agriculture. Moreover, it demonstrated a commitment to **gender mainstreaming** but was mainly constrained by data availability to measure the quantitative targets, achieving only four of six gender performance indicators based on the gender equality achievements and results.

AIIB Project Team Interview (Sep. 11, 2025)

Interviews with the AIIB's project team highlighted:

- **Swift Response & Limited Role:** AIIB approved and made the project effective within three months of the Philippines' request, but its involvement was mainly financial, relying on ADB's safeguards and facing constraints due to virtual settings and travel bans.
- **Early Learning & Capacity Building:** As one of AIIB's first CRF projects, it highlighted gaps in health sector expertise and data systems, leading to the creation of the Social Department and new instruments like SFW, and paving the way for future standalone health operations.
- **Partnership & Long-Term Impact:** Despite initial limitations, the project built trust with the Philippine government, enabling more complex engagements and strengthening AIIB's co-financing partnership with ADB in key regional countries.

Lessons and Insights

- **Prompt and Coordinated Response:** AIIB approved the Philippines' COVID-19 assistance in just five weeks, using the lead financier's documents to speed up processing and disbursing funds by July 6, 2020.
- **Continuous Engagement with the Philippine Government:** Continuous policy dialogue and stakeholder consultations ensured alignment with government priorities and led to more CRF operations and long-term recovery measures.
- **Robust Data Management System:** Limited data and poor agency coordination delayed aid and monitoring; AIIB can support by improving online systems, data collection, and e-governance for better program delivery.

Overall Assessment

The **Philippines CARES project** was relevant and well aligned with CRF objectives. The loan effectively addressed urgent economic, financial, and public health pressures faced by the Philippines. Like other CRFs in various countries, this financing reflects **AIIB's commitment to the call for a coordinated international response** to counter the COVID-19 crisis. It provided crucial support to the Philippine government in protecting vulnerable populations and curtailing the spread of the disease.

50. Effectiveness determinants. The CRF's health response was highly relevant and largely achieved during the emergency phase. Effectiveness was driven by timely financing, advisory support aligned with WHO guidance, and rapid capability building. CRF resources addressed binding constraints through the procurement of essential medical equipment and investments in laboratories and testing facilities. Although AIIB initially had limited in-house health-sector capacity, it mobilized specialized expertise quickly, including, in China, the former head of the Chinese Center for Disease Control and Prevention and an international health specialist. The timely recruitment of experienced consultants across the portfolio strengthened project quality, indicating that AIIB's contribution to health outcomes lay primarily in providing rapid financing and facilitating access to technical expertise, complemented by partner MDB leadership and country systems.

Objective 2: Social Protection and Livelihoods

51. Social protection. CRF social protection interventions consisted of direct cash transfers, in-kind and food assistance, employment protection, and targeted social insurance enhancements. These disproportionately affected informal workers and households with limited savings. By anchoring financing in existing country systems, CRF operations enabled rapid scale-up; Members with mature registries and payment platforms achieved faster and more accurate delivery. Cofinancing with MDB partners ensured technical complementarity. Operations reached approximately 85-105% of intended beneficiaries, including 18 million families in the Philippines, 5.8 million people in Bangladesh (105% of target), and 90% coverage under Pakistan's BRACE program, with most transfers disbursed within three to six months of approval. Programs were designed as timebound countercyclical measures, and permanent fiscal commitments were eschewed.

52. Bangladesh's CRF operation illustrates how crisis financing can catalyze long-term expansion of social protection (Box 4). The operation supported countercyclical expenditure to safeguard employment in export industries and expanded safety nets for vulnerable groups, reaching 5.8 million vulnerable people and extending coverage to 2.1 million additional beneficiaries. Beyond immediate relief, the operation strengthened targeting, program coverage, and administrative capacity reforms that continue to strengthen Bangladesh's permanent social protection architecture.

Box 4: Social Protection Expansion in Bangladesh – From Emergency Relief to Sustainable Safety Nets

Bangladesh's CRF operation demonstrates how emergency financing can catalyze durable social protection expansion. The USD250 million CARES program, approved in May 2020 with first disbursement the following month, supported the government's countercyclical expenditure package with two aims: safeguarding employment in the hardest hit industries and expanding safety nets for vulnerable groups.

Quantified results. The program delivered large-scale support, reaching 5.8 million vulnerable people, which was 105% of the original target, and protecting 100,000 workers in export-oriented industries. Safety net coverage expanded to 2.1 million additional beneficiaries, including support for homeless housing schemes, unemployment assistance, and health insurance for at-risk government employees. These measures contributed directly to a reduction in national poverty incidence and achieved all gender-related targets, with dedicated benefits aimed at women and children across affected communities.

Implementation effectiveness. The program delivered exceptional speed and efficiency. AIIB approval proceeded within weeks by leveraging ADB documentation, enabling immediate disbursement. Government budget execution remained on schedule, and the Design Monitoring Framework stayed unchanged throughout implementation.

Development outcome. The operation's longer lasting contribution lies in strengthening Bangladesh's permanent social protection system. Expanded safety nets, improved targeting, and enhanced governance capacity created institutional foundations that continue to benefit vulnerable populations beyond the pandemic.

53. **In Georgia, a USD100 million emergency operation cofinanced with the World Bank provided temporary income support for poor households, unemployment assistance for formal workers, and one-off transfers for self-employed and informal workers – groups that are traditionally difficult to reach through existing systems.** Additional transfers protected families with children who are not eligible for general social assistance. Although benefit levels were modest, the operation supported large numbers of households in complying with mobility restrictions and mitigating income losses.

54. **Indonesia entered the pandemic with a comparatively well-functioning, women-oriented social protection system anchored in conditional cash transfers, child and maternal health programs, and food assistance schemes.** With CRF cofinancing totaling USD2.5 billion across several operations with ADB and the World Bank, the government mobilized USD6.4 billion in additional social-assistance spending. The government rapidly scaled up existing flagship programs using its national social registry. Conditional cash transfers for mothers and children supported continuity in nutrition, antenatal care, and early learning, while increased transfers to food-assistance programs helped stabilize household consumption. The Georgia and Indonesia experiences demonstrate how a mature system can be rapidly expanded during a crisis

by using established institutions, decentralized delivery through local governments, and reliable targeting systems.

55. In Kazakhstan, supported by USD1.1 billion in CRF cofinancing with ADB, the authorities' fiscal measures encompassed blended income support, food assistance, social transfers, and broad tax and utility relief. Income-replacement benefits were also extended to informal workers, predominantly women, who were disproportionately affected. Social transfers to vulnerable groups, including pensioners, were increased through existing programs. A broad tax-relief package targeted micro, small, and medium enterprises (MSMEs) in agriculture, trade, and services, including temporary elimination of property, land, and income taxes and a six-month payroll-tax exemption for SMEs. Completion reports indicate high effectiveness, strong take-up, and positive distributional effects, with early signs that these measures helped prevent a sharp rise in poverty.

56. Pakistan's program (Box 5) combined immediate social protection measures with structural reforms to enhance long-term climate resilience. CRF financing supported flood relief, food-security subsidies, and SME business loans. Program design aligned with IMF-supported reforms, demonstrating how crisis-response financing can deliver short-term protection while advancing deeper institutional and climate-resilient development objectives.

Box 5: Pakistan's BRACE Program – Integrating Social Protection with Climate-resilient Reform

Scale of social protection impact. The USD500 million BRACE program delivered substantial social protection during overlapping crises, reaching 8.977 million woman-headed households (a 15.1% increase), providing PKR69.222 billion in flood relief to 2.769 million families, and allocating PKR33.17 billion for food-security subsidies. SME recovery was supported through PKR108 billion in business loans, while 95% of the government's PKR510.8 billion countercyclical expenditure package was utilized by June 2023.

Climate and gender integration. Rated by ADB as achieving effective gender mainstreaming, BRACE directed transfers to woman-headed households and embedded climate-resilient reforms within broader economic management measures. The program shows how crisis response financing can simultaneously deliver immediate social protection and advance long-term structural and climate-resilient development objectives aligned with the IMF Extended Fund Facility.

57. In Uzbekistan, early response measures expanded unemployment benefits for formal-sector workers, provided wage subsidies for furloughed employees, increased cash transfers to vulnerable households, and deployed temporary tax relief. A CRF-supported policy-based operation (USD530 million, cofinanced with the World Bank) targeted long-term reforms in social protection and assistance. Key reforms saw the introduction of a single beneficiary registry and strengthened administrative capacity, sharpened priority-setting and spending mechanisms, and most importantly established comprehensive databases and registries that enabled a significant expansion in program coverage.

Objective 3: Private-Sector Liquidity Support

58. The credit lines financed under the CRF recorded strong utilization, with drawdown rates exceeding 90%, reflecting genuine crisis-driven demand and effective facility design. The CRF approved 15 liquidity operations totaling USD1.9 billion to maintain credit flows for working capital and trade needs at short maturities appropriate for emergency liquidity. VP Bank (Viet Nam) and Eximbank (Türkiye) fully disbursed within one year; 13 of 15 operations achieved full or substantial disbursement. Evidence from Member case studies indicates liquidity contributed to job preservation; interviews confirmed that financing enabled exporters to maintain operations and retain employment during market contraction, allowing immediate production restart once restrictions eased.

59. Safeguarding employment and livelihoods enjoyed a high priority throughout CRF client membership. The CRF approved 15 liquidity operations totaling USD1.9 billion: 11 were channeled through financial institutions to provide working capital and trade finance to enterprises (USD1.8 billion); three were direct sovereign operations; and one provided direct corporate liquidity support to Russian Railways to stabilize a strategic transport operator.

Table 5: Representative CRF Credit Lines: Design and Parameters

Member/FI	Type	Tenor	Facility Size (USD million)	Objective	Tracking Metrics
Viet Nam (VPBank) (P000407)	Nonsovereign parallel loan with IFC	12 + 12 months facility	100	Working capital for SMEs in productive sectors	IFC co-lead; sex-disaggregated tracking; risk-based pricing
Cambodia (PRASAC) (P000562)	Nonsovereign standalone loan	42 months (three installments)	75	Liquidity for MSMEs to preserve employment	≥ 90% allocation to women-owned MSMEs; ESMS delegation, partial disbursement
Türkiye (Eximbank) (P000447)	Sovereign-backed credit line	54 months	250	Export working capital support	Transparent pass-through pricing; portfolio quality monitoring
National Bank of Uzbekistan (P000420)	Sovereign-backed credit line	60 months	200	Liquidity for SMEs	Standalone, canceled after ~5% disbursement

Box 6: Collaboration in the Face of Crisis – Türkiye Eximbank COVID-19 Credit Line Project

When the COVID-19 pandemic hit in 2020, Türkiye faced the shock amid existing macroeconomic vulnerabilities following the 2018-19 currency crisis. Inflation, external imbalances, and limited reserves heightened liquidity pressures, while export industries – accounting for 25% of GDP – suffered sharp declines in orders and cash flow.

AIIB approved a USD250 million sovereign-backed credit line to Türk Eximbank, providing working-capital financing to sustain exporters' operations, production, and employment.

83 exporters were financed (target 35) across priority sectors. **20% of total lending** reached women-inclusive enterprises (target 5%). **0% nonperforming loans and 100% utilization** were achieved within 15 months. Sub-borrowers preserved operations and payrolls amid global market disruptions; one SME, Hassan Tekstil, used financing to retain its workforce and invest in research and development for new export products. Eximbank expanded its ESG unit from **2 to 11 staff,** integrating gender tracking and E&S reporting as **permanent systems improvements.**

This was a successful operation in safeguarding exports, sustaining employment, and enhancing institutional resilience.

Box 7: Cambodia – MSME Liquidity Support through PRASAC

When COVID-19 struck in 2020, Cambodia faced its sharpest economic contraction in decades. Tourism collapsed, garment exports fell, and MSMEs – comprising 99% of firms and 70% of jobs – experienced severe liquidity shortages. Microfinance institutions, central to financial inclusion, saw credit growth fall from over 30% pre-crisis to under 2%, while portfolio-at-risk surged.

AIIB approved a **USD75 million** liquidity line to PRASAC, Cambodia's **largest microfinance deposit-taking institution,** to sustain lending to micro and small enterprises during the prolonged recovery phase. PRASAC's nationwide network of **14,000+ villages** positioned it as an efficient partner to reach vulnerable borrowers, especially women.

1,467 MSMEs were financed, fully utilizing the disbursed tranche. 90.9% of sub-loans went to **women-owned enterprises**. 96.3% of sub-loans went to **micro-enterprises**. At the institutional level, PRASAC strengthened its **E&S systems** and expanded borrower-protection channels, and GRM functionality was verified with **99.95% of the 693 complaints in 2024 being resolved**.

The PRASAC facility delivered **meaningful liquidity** to vulnerable MSMEs, especially women, during Cambodia's uneven recovery. Implementation of the drawn tranche was strong, with all proportional targets achieved and E&S commitments fulfilled.

Box 8: Gender Lens in the Crisis Recovery Facility– Comparative Insights from Three Credit Lines

The COVID-19 crisis had pronounced gendered effects across economies. Employment and income losses were larger for women, who were disproportionately concentrated in contact-intensive services most affected by lockdowns. Many women exited the labor force amid school closures and care burdens, prompting a "she-cession," while unpaid care work increased more for women than men. Health systems also disrupted essential services (maternal, reproductive, and routine care), compounding risks faced by women as both patients and frontline health workers. In parallel, multiple sources documented a "shadow pandemic" of gender-based violence, with sharp rises in helpline calls and reported incidents under lockdowns.

AIIB's Corporate Strategy (2020) placed sustainability and inclusion at its core and guided operations during the CRF period. Within this framework, AIIB prepared two internal CRF gender tip sheets to support project teams: Health Infrastructure, emphasizing sex-appropriate personal protective equipment sizing, gender-sensitive facility design, gender-based violence risk mitigation, and sex-disaggregated monitoring; and Access to Finance via Financial Intermediaries, encouraging identification of women-owned/led SMEs, sex-disaggregated outreach and reporting, tailored financial products, and integration of gender in FI ESMS. These tools, once implemented, will align CRF operations with Sustainable Development Goal (SDG) 5 and the Strategy's emphasis on social sustainability and inclusion.

The three sampled CRF credit lines demonstrate varying levels of gender ambition and attribution:

- **Cambodia (PRASAC):** The facility embedded a binding design choice allocating at least 90% of proceeds to women-owned enterprises, creating clear accountability and a strong market signal. Performance met the target (90.9% as of March 2025), illustrating that hard targets can guide allocation in liquidity operations.
- **Türkiye (Eximbank):** The facility introduced a target for lending to women-led exporters. Actual performance reached about 20%, but the low initial threshold limited ex ante discipline and comparability with stronger commitments such as Cambodia's.
- **Viet Nam (VPBank):** Gender outcomes were largely cofinancier driven. IFC's Women Entrepreneurs Opportunity Facility incentive and VPBank's existing practices including sex-disaggregated reporting and women-focused offerings yielded 26% participation of women-owned/led SMEs (34 of 129).

Design Lesson:

AIIB's strategic gender priorities were particularly relevant under the CRF, as women were disproportionately affected by the COVID-19 crisis. The lesson is that future crisis response operations should incorporate explicit, measurable gender targets from the outset. Where such targets were embedded as in the PRASAC facility's 90% women-borrower requirement results were trackable and achieved. Where targets were absent, gender outcomes were neither systematically monitored nor verifiable.

Sources:

1. The World Bank. 2023. World Development Report 2022, Chapter 1: Emerging Risks to the Recovery. bit.ly/4vHWcGK
2. John C Bluedorn, Francesca Caselli, Niels-Jakob H Hansen, Ippei Shibata, and Marina Mendes Tavares. 2021. Gender and Employment in the COVID-19 Recession: Evidence on "She-cessions". IMF. bit.ly/3Qq597q
3. UN Women. 2020. Whose time to care: Unpaid care and domestic work during COVID-19. bit.ly/4cArl0z

60. **However, not all operations achieved their intended objectives.** The National Bank of Uzbekistan operation (USD200 million) utilized only 5% of funds before cancellation. Evaluation interviews suggest that limited familiarity on part of the borrower bank with IFI environmental and social requirements contributed to early delays, highlighting the importance of tailored capacity support and prior MDB engagement when introducing new instruments. AIIB's limited pre-existing policy dialogue in the Member, and the absence of a local presence in this particular case, may also have slowed the pace of mutual understanding. This experience offers a valuable lesson: even in crisis settings, sufficient time for assessing client capacity and building institutional relationships remains essential for effective delivery.

61. **PCM, during acute crisis phases, faces inherent constraints.** Banks and institutional investors typically retreat from emerging market exposure when uncertainty peaks, making crowding-in effects difficult to achieve precisely when liquidity support is most needed. Across the CRF portfolio, there is limited direct evidence of PCM, and none of the sampled project documents included PCM targets or indicators. Looking ahead, as AIIB builds its nonsovereign portfolio, incorporating explicit PCM frameworks in post-crisis operations would strengthen the catalytic dimension of private-sector engagements.

62. **At the same time, crowding out of private lenders was unlikely, as CRF loans were extended during a period of acute liquidity scarcity.** The pricing of CRF loans to the borrower followed risk-based market interest rates, and the Bank did not attempt to underprice competitors. The PRASAC (Cambodia) case is particularly illustrative: when deposits and parent-bank funding from A-rated Kookmin Bank became cheaper, the CRF did not reduce its pricing to retain market share. Instead, it allowed early repayment and partial cancellation demonstrating strong evidence that CRF financing did not crowd out cheaper private liquidity.

Objective 4: Longer Term Policy Member Reforms

63. **CRF-supported reforms show early signs of effectiveness.** The CRF supported Member policy reforms through 31 operations totaling USD10.8 billion, addressing competition and trade; banking resilience and capital markets; technology and digitalization; fiscal consolidation and tax reforms; and human capital development. The broad spectrum of reforms supported under this objective account for much of the development impact of the CRF. They benefit a wide range of Members. Conclusive judgments on effectiveness cannot be fully reached owing to the

long-term nature of implementation, but indications show reforms remain on track, solidly owned by authorities and followed up with successive reforms. A review of 12 sampled operations found that first-phase reform triggers saw an achievement within the first 12-18 months.

64. Competition, trade, and incentives for private-sector investment. CRF operations supported reforms to reduce state dominance, strengthen market competition, and improve the investment climate across six Members. In **Fiji**, the program strengthened the policy, legal, and institutional framework for SOEs and public–private partnerships, introduced reforms to improve SOE financial management and internal governance to help them access finance on commercial terms, and improved the business and investment climate by strengthening investor rights and streamlining investment approval processes.[14] **Indonesia** introduced measures to improve the business climate and encourage foreign direct investment, reduced barriers to trade through improved trade facilitation, and incentivized firms to invest in special economic zones, upgrade technology, and improve worker skills.[15] **Kazakhstan** established limits on state obligations in public-private partnerships (PPPs) and concessions and introduced new rules for selecting concession projects.[16] In **Pakistan**, the program improved SOE financial viability in the power sector, adopted competitive bidding for renewable energy investments, and rationalized the tariff structure under the National Tariff Policy.[17] **The Philippines** implemented reforms in labor markets and business regulation to improve the investment climate. **Uzbekistan** undertook comprehensive privatization and competition reforms, strengthening the legal framework for privatization, fully privatizing Universal Mobile Systems, the state-owned telecommunications operator, reducing direct state participation through SOEs, eliminating associated privileges, and advancing reforms to de-monopolize key sectors to lower barriers to private entry, investment, and competition.[18]

65. Banking resilience and capital-markets development. Financial-sector reforms under the CRF focused on restoring credit flows, strengthening prudential oversight, and deepening capital markets. In **Kazakhstan**, the program re-established commercial banks' loan-origination capacity for SME financing, strengthened the deposit-insurance system, activated the market for nonperforming assets, and introduced ESG disclosure standards.[19] **The Philippines** broadened financial inclusion with particular attention to women, expanded the digital-payments ecosystem, and supported financial-sector measures for climate-change adaptation.[20] **Uzbekistan** strengthened prudential supervision and oversight of nonbank financial institutions, improved corporate governance, and reduced state-directed preferential lending. It also developed legal frameworks for microcredit organizations, pawnshops, and mortgage refinancing companies, and modernized the insolvency framework to encourage restructuring of viable distressed firms.[21]

14 Sustained Private Sector-Led Growth Reform Program (CRF, P000427)
15 Competitiveness, Industrial Modernization, and Trade Acceleration Program, (CRF, P000761)
16 Fiscal Management and Financial Sector Reforms Program, (CRF, P000789)
17 Building Resilience with Countercyclical Expenditures (BRACE) Program (CRF P000704)
18 Advancing Economic and Social Transformation (CRF, P000681)
19 Fiscal Management and Financial Sector Reforms Program, (CRF, P000789)
20 Digital Transformation DPO (CRF, P000771)
21 Advancing Economic and Social Transformation (CRF, P000681)

66. Technology and digitalization. Digital transformation emerged as a crosscutting priority, with CRF operations supporting connectivity, digital public services, and innovation ecosystems in three Members. **Fiji** increased access to broadband services, expanded access to selected digital public services, and strengthened the digital-innovation ecosystem.[22] **The Philippines** improved the enabling environment for digital transformation through policy reforms, expanded financial inclusion, and supported business growth in digital services.[23] **Rwanda** increased access to broadband and digital public services while strengthening the national digital-innovation ecosystem, positioning the country for technology-enabled growth.[24]

67. Fiscal consolidation and tax reforms. Strengthening fiscal sustainability and domestic resource mobilization was central to several CRF programs. **Kazakhstan** pursued comprehensive fiscal reforms focused on strengthening sustainability, transparency, and governance through medium-term public financial management measures. It adopted rules governing fiscal policy and independent oversight, implemented a governance framework for the sovereign wealth fund, and introduced a methodology for economic appraisal and prioritization of public investment proposals.[25] **Pakistan** strengthened intergovernmental fiscal arrangements and enhanced transparency, broadened the tax base and reduced distortions in tax policy, and implemented sales-tax harmonization with unified definitions, taxation principles, and place-of-supply rules.[26] **The Philippines** modernized domestic resource-mobilization policy and supported tax-administration reforms, promoted international tax cooperation, improved equitable access to health services, including gender-responsive health reforms, and integrated climate considerations into health-sector policy.[27]

68. Human capital and skills. In **Indonesia**, CRF financing supported human capital development by strengthening financing and monitoring of SDG-related health outcomes and improving educational attainment and skills development, recognizing that sustained productivity growth depends on a healthy and skilled workforce.[28]

EFFICIENCY

69. This section assesses whether the CRF delivered results in a timely and cost-effective manner while maintaining quality standards.

Speed and Timeliness

70. CRF operations were processed rapidly. Emergency phase operations (March 2020 to mid-2021) averaged three to four months from concept-to-Board versus an average of nine

22 Sustained Private Sector-Led Growth Reform Program (CRF, P000427)
23 Digital Transformation DPO (CRF, P000771)
24 Digital Acceleration Project (Digital Investment for Recovery, Resilience and Connectivity (CRF, P000462).
25 Fiscal Management and Financial Sector Reforms Program, (CRF, P000789)
26 Building Resilience with Countercyclical Expenditures (BRACE) Program (CRF P000704)
27 Build the Universal Healthcare Program (CRF, P000782)
28 Indonesia: Boosting Productivity through Human Capital Development Program (CRF, P000760)

months (interquartile range: 5-12 months) for regular operations approved during this period, which is a significant reduction in duration. The quick processing was important in the crisis context. Across both phases, policy-based financing and results-based lending, which expanded significantly during the recovery phase (2021-23) achieved first-tranche disbursement within two to three months of Board approval. These timeframes compare favorably with World Bank Development Policy Financing operations.

71. Credit line operations showed strong disbursement performance: VP Bank (Viet Nam) and Eximbank (Türkiye) achieved full facility utilization within 12 months of approval; overall, 13 of 15 liquidity operations achieved substantial utilization within target timeframes. Policy-based financing operations were the fastest-disbursing modality, averaging about four months between approval and full disbursement. This was enabled by cofinancier leadership (mainly ADB and the World Bank) and the PBF design, which releases funds upon verification of policy actions rather than individual contracts.

Process Adaptations Enabling Rapid Deploymet

72. Accelerated Board procedures. For accelerated processing, streamlined procedures were instituted. Board consideration utilized the "special circumstances" provision in AIIB's Rules of Procedure of the Board of Directors, enabling shortened review periods while maintaining governance. Processing was fast-tracked through single IC review, standardized documentation templates, and focused assessments on policy compliance and credit risk pragmatic prioritization fitting emergency circumstances.

73. Environmental and social safeguards flexibility. Flexibility was provided for environmental and social appraisal, with partner MDB policies used when cofinancing with development partners whose E&S policies were materially consistent with AIIB's. This approach enabled rapid deployment while maintaining protection. Portfolio outcome validated that no significant safeguard issues emerged.

74. Procurement and retroactive financing. Procurement under emergency health projects was made more flexible. For liquidity operations, AIIB relied on lead cofinancier assessments for project-level results frameworks and economic analysis, emphasizing outcome indicators and portfolio quality measures while maintaining core principles. Evidence demonstrates that these measures were effective. Partnerships with ADB and World Bank provided significant assurance regarding design, documentation, and safeguards. The 84% cofinancing rate meant that a majority of CRF operations benefited from peer MDB due-diligence policies, enabling rapid deployment while maintaining controls. Client feedback consistently praised rapid deployment and quality, with no safeguard failures or fiduciary concerns.

Box 9: Liquidity Operations – Flexibility in Standards

AIIB's project-level results standards were effectively streamlined for CRF liquidity operations. The 2019 Guidance Note on Project-level Results Frameworks sets the baseline – each project should articulate a results chain with project outcomes and intermediate/output indicators, SMART metrics, baselines/targets, clear data-collection responsibilities, and (for cofinancing) retention of indicators aligned with AIIB's mandate. In contrast, the May 14, 2020 Draft Supplementary Note – recognizing stretched client capacity and the premium on rapid delivery – narrowed requirements to crisis-appropriate metrics: for intermediated FI operations, emphasis shifted to output-level indicators (e.g., number of beneficiaries reached, utilization rates, share of women-led firms) and portfolio quality measures (e.g., nonperforming loans (NPLs)), while still adhering to core Risk Management Framework principles of clarity, measurability, and agreed reporting roles. The Supplementary Notes, however, still focus on the project-level theories of change, referencing the facility (CRF, in this case) objectives, but largely did not provide for theory of change for the CRF itself.

From an evaluative perspective, this reliance on partner frameworks was appropriate given the cofinancing structure and crisis context. The use of established MDB results systems provided assurance on design quality and results measurement without requiring parallel AIIB-specific documentation. As CRF operations mature and AIIB develops standalone crisis instruments, the Bank may wish to consider how its own results frameworks can be applied to ensure consistent outcome-level assessment and institutional learning across both cofinanced and standalone operations.

Institutional Efficiency Gains

75. CRF efficiency achievements are notable given the operational context. Approximately 32 investment officers prepared 68 operations totaling USD18.5 billion during periods of widespread lockdown, managing a 150% portfolio expansion while adapting to new instruments under remote-working conditions. The institution's ability to maintain quality standards, meet accelerated preparation and disbursement timelines, achieve strong utilization rates, and record no significant safeguard issues indicates that targeted process streamlining, effective use of strategic partnerships, and learning by doing enabled AIIB, as a young institution, to respond effectively to the crisis and advance its institutional development.

76. Cofinancing was a core element that increased efficiency and capacity development in AIIB. Cofinancing with ADB and World Bank proved to be significant efficiency multipliers. Capabilities expanded across the institution, with the Economics Department strengthening debt sustainability analysis, creditworthiness assessment, and macroeconomic appraisal, and the operational teams developing expertise in new sectors and instruments. These advances established foundations for AIIB's RBF and CPBF. Results included a 17% public-sector client base expansion, new business opportunities, and access to previously challenging markets. The CRF proved an effective means for AIIB to build Member relationships and pave the way for new operations. These lasting institutional impacts demonstrate that, along with providing an immediate crisis response, the CRF catalyzed major institutional developments that supported AIIB's long-term strategic objectives.

Areas for Continued Strengthening

77. While the CRF achieved a high level of efficiency and operational results, completion of the documentation for some operations remains outstanding, with completion notes yet to be finalized after operation closure. Pandemic-related travel restrictions limited field supervision, which was a constraint more pronounced for AIIB given its absence of regional offices. For future standalone crisis operations, the Bank should establish clear completion report timelines and allocate dedicated resources to ensure timely documentation and institutional learning.

SUSTAINABILITY

78. The evaluation recognizes that comprehensive sustainability judgments for longer term policy reforms require extended timeframes. However, early indicators – government ownership, institutional capacity development, programmatic sequencing – point to the conclusion that most of the gains achieved through CRF operations will be sustained in borrower Members.

Health Sector

79. The long-term sustainable development of health was a specific CRF scope area. China's operation pioneered operational linkages across national disease control systems and integrated prevention and treatment systems, establishing foundations for enduring capability. Laboratory improvements in China, Indonesia, and the Philippines are being used to mainstream infectious disease management beyond COVID-19. Indonesia's genomic public health and pandemic surveillance systems are embedded in health infrastructure with continued government budget allocations. The Philippines integrated strengthened vaccine management systems into broader immunization programs. These reforms provide key sustainability gains, though ensuring systems remain operational as pandemic urgency recedes and maintaining investments in vaccination supply and delivery chains will be essential to preserving long-term benefits.

Social Protection System

80. The CRF strengthened social protection sustainability through reforms in legislation and coverage, single registry adoption, elimination of duplicative benefits, and women's inclusion. Georgia, Indonesia, Philippines, and Uzbekistan established social registries that are accurate and feature continuous targeting improvements. Uzbekistan's single registry provides ongoing utility beyond pandemic context. Kazakhstan's extension to informal-sector workers established mechanisms supporting continued inclusive coverage. The pandemic provided an opportunity for Members in the region to fill pre-existing social-protection gaps and expand coverage to new beneficiaries by extending social protection to informal-sector workers and expanding coverage to vulnerable groups. Member case studies suggest that social-protection benefits largely reached intended beneficiaries, particularly in Members with established social registries and targeting mechanisms such as Indonesia and Bangladesh.

Liquidity Support

81. The evaluation finds that AIIB's liquidity support operations led to a significant expansion of such operations by borrowers, with a concomitant broadening of the client base supported in part by cofinanciers. The CRF established FI relationships that have created a foundation for ongoing operations. Market discipline through risk-based structuring, transparent pricing, and willingness to permit early repayment has established a precedent for a commercially sound approach that positions these operations for long-term viability.

Economic Management and Policy Reform

82. The evaluation finds that the sustainability of achievements in economic management and policy reform is contingent upon continued government ownership of the reform agenda, determination to pursue reforms as they enter difficult terrain, and sustained MDB engagement through technical assistance, knowledge, and financing. In major economies, including Indonesia, the Philippines, and Uzbekistan, as well as broadly across CRF beneficiaries, reforms continue at an encouraging pace, and MDB engagement remains strong. The transition to climate-focused reforms demonstrate relationship continuity aligned with long-term development priorities. Moreover, engagement in health and participation in the Pandemic Fund could offer additional avenues for bolstering sustainability.

OVERALL EVALUATION ASSESSMENT

83. The evaluation concludes that the CRF delivered strong overall performance across the OECD-DAC evaluation criteria. The CRF was highly relevant, with a design aligned to Member needs and national response priorities, supported by flexible instruments and extensive cofinancing that enabled rapid scaling to USD18.5 billion across 26 Members. The CRF was effective across its four scope areas: health operations strengthened critical response capacities; social protection interventions expanded coverage; liquidity support preserved credit flows; and policy-based operations advanced structural reforms with a high share of prior actions achieved. Efficiency was high, with crisis-specific process adaptations enabling significantly faster preparation and disbursement without evidence of material fiduciary, environmental, social, or reputational risks. For cofinanced operations, AIIB appropriately relied on partner MDB results frameworks – an approach that enabled rapid deployment while maintaining standards. Sustainability prospects are generally positive, particularly where operations built on strong institutional foundations. Overall, the CRF demonstrates that a purpose-built crisis facility, combined with strategic partnerships and focused capability development, can enable a young MDB to respond at speed and scale while maintaining quality. AIIB's endogenous contributions – including risk management enhancements, policy-based lending capability, health sector mainstreaming, and concessional finance architecture – were reinforced by MDB partnerships that provided analytical expertise, established frameworks, and cofinancing platforms. The experience also highlights areas for continued attention, including earlier scaling of concessional resources for low-income Members, stronger upstream analytical capacity, and systematic completion documentation to support institutional learning.

Innovations Supported by the CRF and Long-term Institutional Impact

RISK MANAGEMENT TRANSFORMATION

84. **The CRF period coincided with structural improvements in AIIB's risk management practice, driven by portfolio expansion, exposure diversification, and systematic capability building across multiple dimensions.** While the Bank's formal Risk Management Framework remained substantively unchanged, the scale and pace of CRF operations strengthened institutional capacity in portfolio monitoring, credit risk assessment, and sector diversification. These developments enhanced AIIB's ability to manage a larger and more varied portfolio.

85. **Portfolio expansion and diversification.** CRF implementation expanded the portfolio by USD18.5 billion, an increase of roughly 150% over 2020-23, while maintaining credit quality and capital adequacy. The rapid scale-up of lending was supported by existing risk management capabilities, including portfolio stress-testing, which had been conducted since 2018 and enhanced through CRF-specific contributions such as headroom analysis provided to the screening committee. Portfolio growth was accompanied by broader geographic reach, diversification across creditworthiness levels, and a wider range of products, from short-tenor liquidity lines to multiyear policy-based operations. This supported reduced concentration risks and broadened the institutional footprint while also enabling expanded lending to low-income Members within prudent risk parameters.

86. **Institutional risk management capabilities.** During the CRF period, the Bank continued to strengthen nonfinancial risk management through internal capacity building, recruitment of experienced staff and consultants, and operational risk management via cofinancing arrangements. Financial risk management capabilities also matured, including debt sustainability analysis, credit exposure monitoring, concentration limits, and maturity management frameworks. Investment risk management teams were expanded during 2020-21, and the incident risk reporting framework – operationalized by year-end 2021 – is being applied effectively in accordance with international best practices. Stress tests confirm that capital adequacy remains robust, reflecting prudent management during a period of rapid portfolio expansion. While these developments occurred during the CRF period, they reflected the Bank's ongoing institutional maturation rather than changes fast-tracked as a direct consequence of the CRF.

87. **Opportunities ahead.** The CRF period demonstrated that AIIB can manage rapid portfolio expansion while maintaining credit quality and capital adequacy. Looking ahead, the risk management capabilities strengthened during this period position the Bank to support continued portfolio growth within prudent parameters.

EVOLUTION TO CLIMATE-FOCUSED POLICY-BASED LENDING

88. **The introduction of policy-based lending represents one of the CRF's most significant innovations in the lending domain,** transforming AIIB from an institution without such capability in early 2020 to one that positions policy-based financing as strategic instrument for climate transition support.

89. Rapid capability development. In early 2020, AIIB as a new Bank had yet to build capacity for policy-based lending, lacking depth in economic and sector reform dialogue, technical assistance resources, and experience with programmatic approaches to reform. The CRF presented an opportunity to develop these capabilities through cofinancing with experienced partners who provided technical leadership. The subsequent approval of the Policy-based Cofinancing framework (2023) and Climate-focused Policy-based Financing (2024) reflects institutional confidence gained through this experience. Sustaining and expanding this capability, particularly for standalone operations, will require continued investment in analytical capacity and country economic dialogue.

90. Strategic positioning for climate finance. Building on its CRF experience, AIIB launched CPBF in 2024 to support Members in implementing policy and institutional reforms in climate transition, principally in climate adaptation, which is expected to enjoy strong linkages to infrastructure investments. The mobilization of private capital is a strong focus. Members are required to have developed a satisfactory climate transition plan to achieve a low-carbon and climate-resilient future, if necessary, through analytical and technical assistance support from AIIB and other MDBs. As with all policy-based lending, the adequacy of the macroeconomic framework is judged in close coordination with IMF. AIIB surpassed its 50% climate finance target in 2023, achieving 60%, though adaptation represented only 10% compared to 90% for mitigation. As CPBF scales up, there may be scope for more balanced support across mitigation and adaptation aligned with Member needs.

91. Suite of financial modalities. AIIB offers a range of financial modalities under the Climate-focused Policy-based Financing instrument (whether one-time or programmatic, through loans or guarantees), and deferred drawdown options are available as standalone or cofinanced products. Importantly, the use of mutually reinforcing financing instruments is envisaged, either standalone or in conjunction with MDB partners, combining knowledge, technical assistance financing, and investment projects that may result from climate policy-enabled opportunities.

92. Analytical and technical foundations. Sustaining effective policy-based lending will require strong analytical underpinnings. During the CRF period, AIIB appropriately relied on cofinancing partners, primarily the World Bank and ADB, which had established analytical capacity and ongoing policy dialogue with Members. This was a deliberate design choice given that AIIB did not have a standalone PBF at the time and it allowed the Bank to benefit from decades of partner experience while simultaneously developing institutional knowledge through hands-on engagement. Through upstream policy reform support, viable infrastructure investment projects can be expected to emerge and attract private capital, if necessary, through derisking and other forms of MDB support. As AIIB scales CPBF and considers standalone operations, the knowledge gained through CRF partnerships provides a foundation upon which to build stronger advisory and analytical capacity.

Box 10: Brazil – Climate-focused Policy-based Financing

In November 2025, the Board approved a sovereign loan of USD1 billion to Brazil for value-enhancing reforms for development and ecological sustainability. The foundations of the project lie in key policies and institutional reforms to strengthen climate resilience, accelerate the transition to a low carbon economy, and foster inclusive economic growth.

The key reforms underlying the project relate to sustainable finance, energy transition, and green and resilient infrastructure. Through cofinancing with other MDBs (the World Bank in the amount of USD1.5 billion; the Inter-American Development Bank in the amount of USD0.5 billion) it is expected that additional public capital will be directed toward low-carbon growth and biome regeneration; will promote competitive, sustainable bioenergy with robust value chains; and will enhance the resilience of critical natural assets and infrastructure. A major objective is to attract private capital to these ends. Expected results include establishing governance for a national carbon market, mobilizing private resources for sustainable infrastructure and forest conservation, producing low-greenhouse-gas sustainable aviation fuel, deploying early-warning systems for extreme heat, and strengthening forest and mangrove restoration.

Source: AIIB Board Documents

HEALTH SECTOR MAINSTREAMING

93. Institutional integration. The emphasis on health operations in the CRF introduced AIIB staff and management to this sector and eventually led to the mainstreaming of health lending in AIIB operations. The emergency phase of the CRF saw investments in equipment, facilities, laboratories, case management, and staff capacities. The latter phase focused on managing the complete vaccination supply and delivery chain and, in certain cases, to the purchase of vaccines. Experience in these areas has now translated into staff capacity and new operations.

94. While the CRF enabled rapid engagement, much of the technical leadership came from the World Bank and ADB teams. AIIB's potential differentiation lies in infrastructure modernization, digital systems, and climate-resilient health facilities. Realizing this potential will require targeted capability development to complement partners and define AIIB's comparative advantage in the sector.

Box 11: Health Strategy – Tomorrow's Infrastructure for Health

The CRF experience directly informed the development of AIIB's health strategy, highlighting the need for a structured, infrastructure-focused approach to strengthening health systems. Drawing on lessons from emergency operations ranging from laboratory strengthening and supply-chain modernization to digital health investments and multisector pandemic preparedness, the Bank has articulated six strategic priorities that align fully with its infrastructure mandate and complement the work of other MDBs:

1. **Pursuing Health Benefits Across Infrastructure Sectors:** Leveraging transport, energy, water, sanitation, and urban investments to enhance health outcomes and system resilience.
2. **Enhancing Infrastructure for the Health Services Value Chain:** Upgrading laboratories, supply chains, surveillance systems, hospital facilities, and emergency-response platforms.
3. **Safeguarding Health Security Amid Increasing Connectivity:** Strengthening border health, surveillance, early-warning systems, and integration across public-health institutions.
4. **Green and Climate-resilient Health System:** Supporting climate-proofed health facilities, resilient supply chains, energy-efficient infrastructure, and sustainable waste-management systems.
5. **Improving Health Through Technology-based Solutions:** Expanding digital health, telemedicine, data platforms, AI-enabled analytics, and interoperability across health-information systems.
6. **Mobilizing Finance for Health:** Catalyzing additional resources – public, private, and blended – to strengthen health infrastructure and value-chain investments.

Together, these six priorities provide a coherent framework for AIIB's future engagement in health, grounded in the CRF's operational lessons and designed to complement partner MDBs while remaining anchored to AIIB's core infrastructure mission.

Source: AIIB. 2024. Health Strategy. bit.ly/4tmQp79

95. **AIIB's health strategy (Box 11) emphasizes infrastructure and attempts to mainstream climate-resilient considerations.** Under priority 3, the strategy discusses pandemics, emerging infectious diseases, and antimicrobial resistance and presents the WHO's new initiative to improve pandemic preparedness with attendant infrastructure investment requirements. AIIB's designation as an implementing partner of the Pandemic Fund, which is the first multilateral financing mechanism dedicated to strengthening critical pandemic prevention, preparedness, and response capacities with a focus on low- and middle-income Members, offers an avenue for deepening participation in pandemic prevention and preparedness.

CONCESSIONAL FINANCE ARCHITECTURE

96. **To make CRF financing accessible to low-income Members, AIIB made available a special window accessing grant funds that could be used to buy down the interest rate on CRF loans by up to one percentage point.** Members receiving concessional lending from IDA, African

Development Fund, or other concessional windows faced restrictions on obtaining market-related loan terms. The buydown, combined with the prevailing low-interest-rate environment, generally sufficed to soften the terms of lending to low-income Members sufficient for them to obtain waivers from the IMF.[29]

97. The first tranche of grant funds was made available by re-allocating USD30 million from the project preparation special fund set up to assist low-income Members prepare bankable projects. This allocation sufficed to support CRF funding of USD217 million to Bangladesh, Cambodia, Kyrgyzstan, and the Maldives. To finance the second phase of the CRF when the need for funding for vaccines in low-income Members became acute, a further USD25 million was carved out and made available for potential SFW use, of which USD10 million was used to defray the cost of projects in Cambodia and Côte d'Ivoire. The unused balance remained in the Project Preparation Special Fund.

98. This re-allocation of funds from a project preparation facility to one that brought down the cost of lending involved a narrowing of the beneficiary grouping from IDA-eligible Members (under the Project Preparation Special Fund (PPSF)) to IDA-only Members (under SFW). The SFW provided interest rate buydowns during the CRF period for crisis operations, but this mechanism was not available for AIIB's regular investment lending outside the crisis context, creating an asymmetry. Under these circumstances, AIIB took steps in late 2021 to make the special window permanent to address this gap. Under this proposal, SFWs would be used for sovereign projects prepared in the regular way, with Members satisfying the IMF–World Bank debt sustainability framework. The buydown would be funded by voluntary donor contributions ad hoc that could be made at any time and not through regular predetermined funding cycles (as with IDA) and not through any allocations from AIIB's net income. Thus, the scope and reach of the special window depends on donors' willingness to make contributions, creating planning uncertainty for both AIIB and potential borrowing Members.

PRIVATE-SECTOR DEVELOPMENT

99. Policy-based support for markets. Policy-based operations supported reforms in business climate, SOE corporatization, trade, banking, and digitalization. These reforms strengthened enabling environments' infrastructure and other productive sectors, demonstrating complementarity between policy-based financing and productive sector development.

100. Reforms to strengthen private markets have created the conditions for higher return and more sustainable infrastructure projects and for productive investment operations in general, such as manufacturing. This has been achieved by legislative, regulatory, and policy changes, inter alia, by reducing the role and privileges of SOEs, introducing market-based pricing and cost recovery in energy, improving the legal and regulatory prospects for PPPs, and reaping

29 In general, concessional lending requires a grant element of not less than 35% using a discount rate of 5%. Access to the special window reduced the cost of borrowing significantly but did not aim to reach concessionality as defined by the IMF and WBG; hence, waivers were required.

efficiency gains through international integration and technology. These are all critical factors in laying the foundation for higher return infrastructure projects. Thus, the view often expressed that private-sector development-oriented policy-based lending represented a diversion from the core mandate of the AIIB is fallacious. Rather, PBL-supported reforms have improved the conditions for successful productive investment projects, including in infrastructure.

LEGAL INNOVATIONS

101. Establishing the CRF with speed in a highly uncertain, pandemic-afflicted world, with lending in new areas using unfamiliar instruments, forging cofinancing relationships, and managing financial and operational risks required legal creativity. The Legal Department confirmed the consistency of the CRF with the Bank's mandate. Loan templates were rapidly developed for results-based and policy-based lending to reflect cofinanciers' operational policies in line with the Bank's policies and the Board decision on the CRF. Internal procedures were updated to reflect streamlined processes in loan appraisal and approval. Key legal and operational policy adaptations included modified loan agreement templates accommodating policy-based lending and RBF modalities; streamlined cofinancing agreement protocols; and updated procurement frameworks enabling emergency procedures. The Board decision on the CRF confirmed the adequacy of World Bank and ADB policies as the basis for cofinanced operations under the facility.

102. The learning experience from the CRF has carried over to current revisions proposed to the General Conditions. These conditions need to address the wider range of lending policies and associated instruments introduced by the CRF to the AIIB toolkit. The development of the crisis response framework as a result of the CRF experience (discussed in the next chapter of this report) is also evidence of innovative legal and operational policy thinking within the Bank.

103. CRF implementation required innovations to introduce new instruments, streamline processes, and embed risk management. This adaptability strengthened AIIB's capacity to support operational flexibility and future instrument development.

Key Institutional Factors for Future Strengthening

KNOWLEDGE AND TECHNICAL ASSISTANCE CAPACITY

104. During evaluation interviews, clients, partners, and staff frequently highlighted the limited availability of dedicated TA as a key factor that constrained the CRF's ability to deliver greater results and value addition.

105. Stakeholder perspectives. Client governments consistently underscored the importance of more structured analytical and implementation support, particularly during the pandemic, when the demand for knowledge inputs on health-system strengthening, fiscal design, and private-sector support was exceptionally high. MDB partners noted that while AIIB's reliance on their analytical work was understandable in an emergency context, it inevitably limited AIIB's own independent value addition. Knowledge and technical assistance needs in Members extended well beyond health; governments faced complex challenges in fiscal management, delivering social services under conditions of uncertainty and mobility restrictions and designing schemes to sustain private-sector activity. In these areas, leadership was necessarily assumed by institutions with established TA capacities, most notably the World Bank, the UN system, and bilateral development agencies. As countries transitioned from crisis response to recovery, knowledge demands grew in the design of structural reform programs aimed at strengthening long-term growth and economic sustainability. Here again AIIB's cofinanciers, particularly the World Bank, played the primary role in shaping the analytical underpinnings of these programs.

106. Member clients emphasized that TA played a critical role in the effective implementation of infrastructure operations and became particularly important when PCM is involved. They noted that, in areas such as disaster risk management and disaster-risk financing, the usefulness and impact of projects were often constrained by the absence of complementary TA. Clients also highlighted that emerging climate-related financing instruments offered significant opportunities but only if supported by adequate technical assistance. Without such support, it becomes difficult to design and sequence national climate-transition plans, prepare credible adaptation investments, or develop the institutional foundations required for carbon-market mechanisms.

107. Climate finance imperative. As AIIB expands its climate-aligned financing, including the 2024 CPBF, robust analytical and advisory capacity will be increasingly essential. Members need support to design transition pathways, adaptation strategies, and climate-resilient infrastructure. Without systematic TA capability, AIIB's climate financing risks replicating the CRF pattern of strong financial mobilization paired with a reliance on external technical leadership.

108. The path forward. AIIB does not yet have a consolidated framework for TA, but the CRF experience points to clear and actionable opportunities. A central conclusion is that AIIB needs a structured institutional approach to TA – one that encompasses analytical support, project-preparation assistance, and systematic capacity building for Member clients underpinned by an appropriate financing plan. Strengthening TA would also enable the Bank to engage further upstream in project development, thereby deepening its value addition, enhancing the quality of reforms, and supporting more effective implementation across sovereign and private-sector operations.

109. Advancing this agenda will require a phased approach to capability building in the near term and expanded partnerships that blend external expertise with internal learning. Over the medium term, this would require dedicated TA resources and the targeted recruitment of specialized staff in priority areas such as climate-transition planning, health systems, and policy-based lending design. This sequence should align with AIIB's evolving strategic priorities and resource base. Across the evaluation, strengthening TA capacity emerges as having a high institutional priority given its crosscutting relevance and impact on the effectiveness of operations, the quality of crisis preparedness, and AIIB's ability to play a more balanced and proactive role alongside partner MDBs.

CRISIS PREPAREDNESS AND INSTITUTIONAL RESILIENCE

110. AIIB established a menu of emergency instruments aligned with MDB practices, such as the Immediate Emergency Response Support, the Contingent Emergency Response Component (CERC), additional financing, liquidity support, and emergency infrastructure assistance.[30] The provision to offer extraordinary support to Members in response to a crisis or emergency was recognized as a core function of AIIB as a part of the MDB system, responding to a call from the G20 to maximize development impact during periods of global or regional crisis. This undertaking was codified in the Paper on AIIB's Approach to Emergency Response (2023), which builds on the lessons from the CRF and is in line with the AIIB Corporate Strategy to adapt and respond with measured and timebound actions in extraordinary situations.

111. Apart from regular financing that can be accelerated during an emergency, fast-disbursing and countercyclical interventions are most effectively undertaken through policy-based cofinancing with other MDBs. This is because partner institutions bring established client relationships, upstream analytical foundations, and tested operational frameworks that enable rapid deployment capabilities that would take years for AIIB to develop independently. In addition, AIIB can pre-position crisis support through instruments that have been tried and tested by the World Bank, ADB, AFD, and IDB and which AIIB has now added to its toolkit through the Policy-based Cofinancing framework.

112. Framework strengths and gaps. The framework provides important tools. The Policy-based Cofinancing framework (2023) includes pre-established activation triggers, reflecting institutional learnings from the CRF. Evaluation findings suggest that extending such provisions, including escalation pathways and dedicated monitoring arrangements across the broader crisis response architecture, would further strengthen preparedness. Current monitoring and evaluation systems would benefit from reinforcement, and crisis-response mechanisms could be strengthened through structured protocols developed and tested outside crisis periods.

113. Looking ahead. AIIB could capitalize on its learnings from the CRF in the areas of liquidity financing and support for banking and capital market development (within the broader ambit of strengthening private markets and capital mobilization) through policy-based lending. The design

30 AIIB. 2023. AIIB's Approach to Emergency Response. bit.ly/42SJ4RT

of crisis frameworks must balance pre-positioning (for speed) with flexibility (for unpredictable crisis characteristics). Experience from multiple crises suggests that overly rigid frameworks can impede response; the goal is to establish decision protocols and instrument options that can be rapidly activated and adapted.

PARTNERSHIPS

114. Partnerships with ADB and the World Bank were fundamental to the success of the CRF, enabling cofinancing arrangements, ensuring high standards of quality assurance, and supporting the rapid deployment of operations at a time of exceptional urgency. These partnerships also played an important role in facilitating learning and upskilling for AIIB staff, expanded opportunities to engage with new clients and sectors, and enabled the Bank's participation in key international strategy and technical forums – from pandemic-response coordination to, more recently, the design and implementation of climate-related policy lending. As noted throughout this report, the CRF experience demonstrated that AIIB's ability to learn by doing was significantly enhanced by the collaborative and constructive approach of its MDB partners, whose openness to cooperation served as an essential complement to the Bank's own efforts.

115. Partnerships with client governments have been equally important, as underscored throughout the CRF experience. At the onset of the pandemic, AIIB had engaged with only a subset of its membership and was still building its institutional profile and client relationships. The CRF reshaped this landscape: clients saw the Bank operate with objectivity, professionalism, and high standards; work seamlessly alongside other MDBs; and apply well-recognized good practices in project appraisal and environmental and social safeguards. In every evaluation interview conducted with government counterparts and implementing agencies, stakeholders expressed a high degree of trust in AIIB and conveyed appreciation for its agility, responsiveness, and quality of engagement during the crisis. As the Bank's membership continues to grow and its operational mandate and financing instruments expand, maintaining the reputation earned during the CRF will require sustained effort. As noted earlier, strengthening AIIB's capacity for technical assistance to complement its financing would further enhance program quality and deepen client engagement.

116. Toward balanced partnerships. While the crisis context justified a partner-dependent approach, evaluation findings suggest that as AIIB matures, it can move toward more balanced partnerships by expanding its own technical capabilities, developing expertise where it has comparative strengths (e.g., infrastructure-linked climate and health systems), and taking co-lead roles in selected operations.

Strategic Lessons and Forward-looking Recommendations

STRATEGIC LESSONS

Lesson 1: Institutional agility and strategic positioning.

Strategic agility and upstream analytical capability are essential for effective crisis response. The CRF showed that AIIB can respond rapidly and decisively under pressure, deploying instruments creatively and adjusting risk systems at speed. However, this agility depended heavily on partner MDB analytics and was constrained by limited internal upstream capabilities, including the diagnostic, advisory, and reform design work that precedes and shapes financing decisions. In health systems, fiscal sustainability, and structural reform areas, AIIB contributed financing but relied on partners for the analytical foundation that underpinned intervention design and policy dialogue. **The lesson is that institutional agility must be progressively anchored in stronger upstream analytical and technical capacity to enable credible leadership in crisis response and long-term reform engagement. Building this capability will require strategic sequencing aligned with AIIB's evolving priorities and resource base: near-term crisis response can continue to leverage partnerships, while medium-term investments develop independent analytical depth in priority areas.**

Lesson 2: Integrated, programmatic, and sequenced support for development effectiveness.

Across Members, the CRF achieved its strongest results where emergency operations, recovery measures, and long-term structural reforms were embedded in a coherent support package aligned with national systems. By linking crisis response with medium-term reforms in areas such as fiscal sustainability, private-sector development, social protection, digitalization, and human capital, the CRF exceeded its original expectations. **The lesson is that sustained development effectiveness depends on integrated, sequenced support that connects emergency response to long-term institutional strengthening.**

Lesson 3: Technical assistance and knowledge support as operational enablers.

Technical assistance and knowledge support are critical, particularly in contexts requiring capacity building for high-quality operations and client impact. Clients and MDB partners consistently emphasized that the lack of dedicated technical assistance constrained AIIB's ability to contribute substantively to policy analysis, implementation support, and reform sequencing. The CRF revealed that TA was indispensable not only in the areas of health, fiscal design, and crisis management, but also in private-sector development and social protection reform. **The lesson is that systematic technical assistance and knowledge support are essential where country capacities need to be strengthened to raise the quality, relevance, and long-term impact of AIIB operations.**

Lesson 4: Institutionalizing crisis preparedness and scalable response instruments.

Crisis preparedness requires institutionalized frameworks and fit-for-purpose instruments. AIIB's crisis response was heavily dependent on ad hoc mechanisms, exceptional staff effort, and partner frameworks. The absence of codified activation triggers, pre-designed crisis instruments, and standardized procedures reduced predictability and required exceptional effort to achieve speed, efficiency, and effectiveness. The SFW demonstrated value in supporting affordability in Bangladesh, Cambodia, Kyrgyzstan, and the Maldives, but limited resources constrained its reach, scale, and accessibility for the most vulnerable Members. **The lesson is that crisis preparedness must be institutionalized through codified emergency response frameworks and redesigned, scalable crisis instruments, including greater deployment of concessional finance.**

FORWARD-LOOKING RECOMMENDATIONS

Recommendation 1: Consolidate CRF gains within AIIB's expanded toolkit and strategic priorities.

The CRF demonstrated AIIB's capacity to respond at speed and scale during a global crisis, primarily through strategic cofinancing partnerships with experienced MDBs. Since 2020, AIIB has substantially extended its toolkit, including the Policy-based Cofinancing (PBCF) (2023), CPBF (2024), and the emergency response framework (2023). The PBCF (2023) governs AIIB participation in partner-led policy-based operations, while the emergency response framework (2023) institutionalizes the Bank's broader crisis-response modalities; the two serve distinct but complementary institutional purposes. This positions the Bank to play a more substantive role in future crises within its areas of comparative advantage.

Looking ahead, five areas merit continued attention, aligned with AIIB's Corporate Strategy thematic priorities:

1. **Upstream analytical capability is linked to strategic business priorities.** Develop targeted analytical capacity, including climate diagnostics, infrastructure investment planning, and sector reform analysis in areas where AIIB seeks to exercise leadership. This capability should be proportionate to AIIB's lean operating model and focused on domains where upstream engagement strengthens project quality and pipeline development.
2. **Regional cooperation for connectivity and climate-resilient infrastructure.** Build on the cross-border coordination and partnership capabilities demonstrated under the CRF, reinforcing AIIB's comparative advantage in promoting regional cooperation consistent with Article 1(ii) of the Articles of Agreement.
3. **Crisis management tools within AIIB's mandate.** Strengthen crisis preparedness through the frameworks now in place (PBCF, CPBF, Emergency Response), focusing on infrastructure-related shocks including climate events and natural disasters in coordination with the IMF and other IFIs. AIIB need not develop standalone capacity across all crisis modalities; strategic cofinancing with partners who bring complementary expertise remains an efficient and effective model.
4. **Climate-focused policy-based financing in infrastructure-related areas.** Expand the use of CPBF across AIIB's Corporate Strategy thematic priorities, guided by clear infrastructure linkages and the Bank's areas of comparative advantage. Sector selection should be informed by Member demand and AIIB's evolving operational experience, while

ensuring that CPBF remains anchored in the Bank's infrastructure mandate and strategic priorities.

5. **Technical assistance aligned with the leadership role AIIB plans to pursue.** Ensure that the leadership role AIIB plans to pursue in its priority areas is matched by substantive technical contribution. Expand targeted technical assistance and knowledge support to accompany clients through complex reforms, drawing on partnerships and flexible expertise arrangements consistent with AIIB's institutional model.

Recommendation 2: Adopt a programmatic, sequenced approach to crisis and recovery support.

To maximize development effectiveness, AIIB should adopt a programmatic and sequenced approach for its crisis-response and recovery operations. This was a central conclusion of the CRF experience and was echoed by all clients consulted in this evaluation. A structured, multiphase approach linking emergency support to medium-term recovery and long-term reforms would strengthen operational coherence, improve reform continuity, and enhance sustainability of results.

This shift requires:

- Multiphase operational planning linking emergency operations to deeper structural reforms.
- Integrated use of instruments (policy-based lending, results-based lending, investment operations, and technical assistance).
- Development of standalone fast-disbursing financing capacity to complement co-financed operations, enabling AIIB to respond rapidly where cofinancing partnerships are not available or where AIIB leadership is warranted.
- Staff capacities aligned with sequencing, reform design, and cross-sectoral integration.

Recommendation 3: Strengthen crisis support for less developed Members.

The CRF experience demonstrated that concessional resources, including through the SFW, delivered meaningful affordability support to Members such as Bangladesh, Cambodia, Kyrgyzstan, and the Maldives. However, access for less developed Members was more constrained than for middle-income borrowers, reflecting the institutional design of CRF policy-based cofinancing operations, which applied partner MDB ordinary-resource frameworks that do not cover concessional windows such as IDA or ADF.

Looking ahead, should AIIB wish to be better positioned to support less developed Members during future crises, it could consider preparing a more institutionalized approach in advance. While dedicated financial and technical support is already possible on an ad hoc basis under existing frameworks, advance preparation could enable more timely and predictable access when crises occur. The scope, scale, and modalities of any such mechanism would be for Management and the Board to determine.

Appendices

A. CRF PROJECT LIST

#	Project ID	Member	Sector	Cofinancier	Approval Date	Approved Amount (USD mn)
1	P000367	China	CRF-Public Health	Standalone	April 3, 2020	355.0
2	P000380	India	CRF-Public Health	WB	May 7, 2020	500.0
3	P000388	Georgia	CRF-Public Health	WB	May 20, 2020	100.0
4	P000391	Indonesia	CRF-Economic Resilience/PBF	ADB	May 20, 2020	750.0
5	P000393	Bangladesh	CRF-Economic Resilience/PBF	ADB	May 20, 2020	250.0
6	P000392	Philippines	CRF-Economic Resilience/PBF	ADB	May 28, 2020	750.0
7	P000403	Pakistan	CRF-Economic Resilience/PBF	ADB	June 16, 2020	500.0
8	P000409	India	CRF-Economic Resilience/PBF	ADB	June 16, 2020	750.0
9	P000414	Mongolia	CRF-Economic Resilience/PBF	ADB	June 16, 2020	100.0
10	P000379	Indonesia	CRF-Public Health	WB	June 22, 2020	250.0
11	P000378	Maldives	CRF-Public Health	WB	June 30, 2020	7.3
12	P000381	Türkiye	CRF-Finance/Liquidity	Standalone	June 30, 2020	500.0
13	P000405	Kazakhstan	CRF-Economic Resilience/PBF	ADB	June 30, 2020	750.0
14	P000407	Viet Nam	CRF-Finance/Liquidity	IFC	July 16, 2020	100.0
15	P000417	Georgia	CRF-Economic Resilience/PBF	WB	July 16, 2020	50.0
16	P000429	Pakistan	CRF-Economic Resilience/PBF	WB	July 16, 2020	250.0
17	P000402	Uzbekistan	CRF-Public Health	ADB	Aug. 13, 2020	100.0
18	P000423	Kyrgyzstan	CRF-Finance/Liquidity	WB	Aug. 13, 2020	50.0
19	P000427	Fiji	CRF-Economic Resilience/PBF	ADB	Aug. 13, 2020	50.0
20	P000397	Bangladesh	CRF-Public Health	WB	Aug. 27, 2020	100.0
21	P000424	Türkiye	CRF-Public Health	EBRD	Aug. 27, 2020	82.6
22	P000421	Russia	CRF-Finance/Liquidity	Standalone	Oct. 15, 2020	300.0
23	P000400	Türkiye	CRF-Finance/Liquidity	Standalone	Nov. 25, 2020	100.0
24	P000420	Uzbekistan	CRF-Finance/Liquidity	Standalone	Nov. 25, 2020	200.0
25	P000435	Ecuador	CRF-Finance/Liquidity	Standalone	Nov. 25, 2020	50.0
26	P000446	Cambodia	CRF-Economic Resilience/PBF	Standalone	Dec. 10, 2020	60.0
27	P000461	Cook Islands	CRF-Economic Resilience/PBF	ADB	Dec. 10, 2020	20.0
28	P000415	Bangladesh	CRF-Finance/Liquidity	Standalone	Jan. 28, 2021	300.0
29	P000408	Sri Lanka	CRF-Finance/Liquidity	Standalone	Feb. 25, 2021	180.0
30	P000490	Philippines	CRF-Public Health	ADB	March 25, 2021	300.0
31	P000394	Georgia	CRF-Finance/Liquidity	Standalone	May 20, 2021	100.0
32	P000447	Türkiye	CRF-Finance/Liquidity	Standalone	May 20, 2021	250.0
33	P000519	Mongolia	CRF-Public Health	ADB	June 10, 2021	21.0
34	P000483	Rwanda	CRF-Finance/Liquidity	WB	June 24, 2021	100.0
35	P000484	Indonesia	CRF-Economic Resilience/PBF	WB	June 24, 2021	500.0
36	P000505	Azerbaijan	CRF-Economic Resilience/PBF	ADB	July 15, 2021	100.0

#	Project ID	Member	Sector	Cofinancier	Approval Date	Approved Amount (USD mn)
37	P000534	China	CRF-Public Health	IFC	Aug. 26, 2021	100.0
38	P000522	Hungary	CRF-Public Health	Standalone	Aug. 26, 2021	216.1
39	P000523	India	CRF-Economic Resilience/PBF	WB	Aug. 26, 2021	500.0
40	P000482	Jordan	CRF-Economic Resilience/PBF	WB	Aug. 26, 2021	250.0
41	P000399	Türkiye	CRF-Finance/Liquidity	Standalone	Sep. 23, 2021	100.0
42	P000528	Bangladesh	CRF-Economic Resilience/PBF	ADB	Oct. 21, 2021	250.0
43	P000487	Egypt	CRF-Economic Resilience/PBF	WB	Nov. 11, 2021	360.0
44	P000462	Rwanda	CRF-Economic Resilience/PBF	WB	Dec. 16, 2021	100.0
45	P000555	Philippines	CRF-Public Health	ADB	Dec. 16, 2021	250.0
46	P000564	India	CRF-Public Health	ADB	Jan. 20, 2022	500.0
47	P000521	Cambodia	CRF-Public Health	ADB	March 24, 2022	50.0
48	P000562	Cambodia	CRF-Finance/Liquidity	Standalone	April 13, 2022	75.0
49	P000614	Cambodia	CRF-Finance/Liquidity	Standalone	April 21, 2022	100.0
50	P000560	Côte d'Ivoire	CRF-Public Health	WB	May 25, 2022	100.0
51	P000640	Türkiye	CRF-Public Health	WB	June 29, 2022	250.0
52	P000663	Fiji	CRF-Economic Resilience/PBF	ADB	Aug. 25, 2022	50.0
53	P000688	Mongolia	CRF-Economic Resilience/PBF	ADB	Sep. 29, 2022	100.0
54	P000704	Pakistan	CRF-Economic Resilience/PBF	ADB	Nov. 9, 2022	500.0
55	P000710	Bangladesh	CRF-Economic Resilience/PBF	ADB	Nov. 23, 2022	250.0
56	P000681	Uzbekistan	CRF-Economic Resilience/PBF	WB	Dec. 15, 2022	530.0
57	P000697	Philippines	CRF-Economic Resilience/PBF	ADB	Feb. 15, 2023	500.0
58	P000750	Bangladesh	CRF-Economic Resilience/PBF	ADB	June 13, 2023	400.0
59	P000746	Jordan	CRF-Economic Resilience/PBF	WB	Sep. 13, 2023	200.0
60	P000761	Indonesia	CRF-Economic Resilience/PBF	ADB	Nov. 22, 2023	500.0
61	P000771	Philippines	CRF-Economic Resilience/PBF	WB	Nov. 22, 2023	400.0
62	P000781	Philippines	CRF-Economic Resilience/PBF	ADB	Nov. 22, 2023	300.0
63	P000802	Philippines	CRF-Economic Resilience/PBF	ADB	Nov. 22, 2023	400.0
64	P000760	Indonesia	CRF-Economic Resilience/PBF	ADB	Dec. 11, 2023	500.0
65	P000789	Kazakhstan	CRF-Economic Resilience/PBF	ADB	Dec. 11, 2023	350.0
66	P000782	Philippines	CRF-Economic Resilience/PBF	ADB	Dec. 12, 2023	450.0
67	P000825	Uzbekistan	CRF-Economic Resilience/PBF	WB	Dec. 14, 2023	670.0
68	P000526	Pakistan	CRF-Economic Resilience/PBF	WB	Dec. 21, 2023	250.0
		Total				**18,477.0**

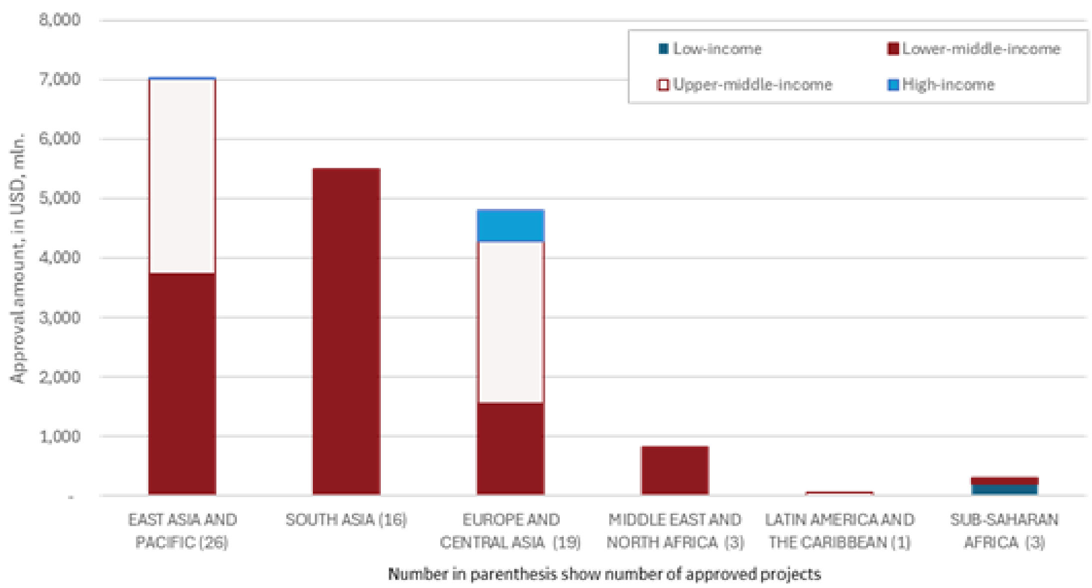
Note: ADB – Asian Development Bank, EBRD – European Bank for Reconstruction and Development, IFC – International Finance Corporation, WB – World Bank

B. CRF PORTFOLIO OVERVIEW AND PERFORMANCE

PORTFOLIO COMPOSITION AND DISTRIBUTION

1. The CRF's financing profile was highly concentrated in sovereign-backed financings and in US dollars (USD) (see Table 1 below). Of the USD18.5 billion equivalent of financing approved under CRF, 94.7% was SBF – about 25% higher than the Bank's portfolio average of 69% for non-CRF operations[1] – underscoring the CRF's primary role as rapid, sovereign-scale budget and emergency support, with NSBF accounting for just 5.3%. Currency-wise, three-quarters of commitments were in USD (USD13.9 billion). Euro (EUR) operations provided meaningful diversification (USD3.6 billion; 19.5%). NSBF financing was almost entirely in hard currency (USD675 million) with a single local-currency exposure (RUB300 million), and 59% of NSBF volume (or six out of eight financings approved) were to FIs. This configuration facilitated rapid disbursement and reflected the objective reality of less developed financial markets in Members' local currencies, but it also concentrated foreign exchange risk at the borrower level with potential challenges to repayment in the future.

Figure 1: Financings Approved Under the CRF, by Member Income Level and Region



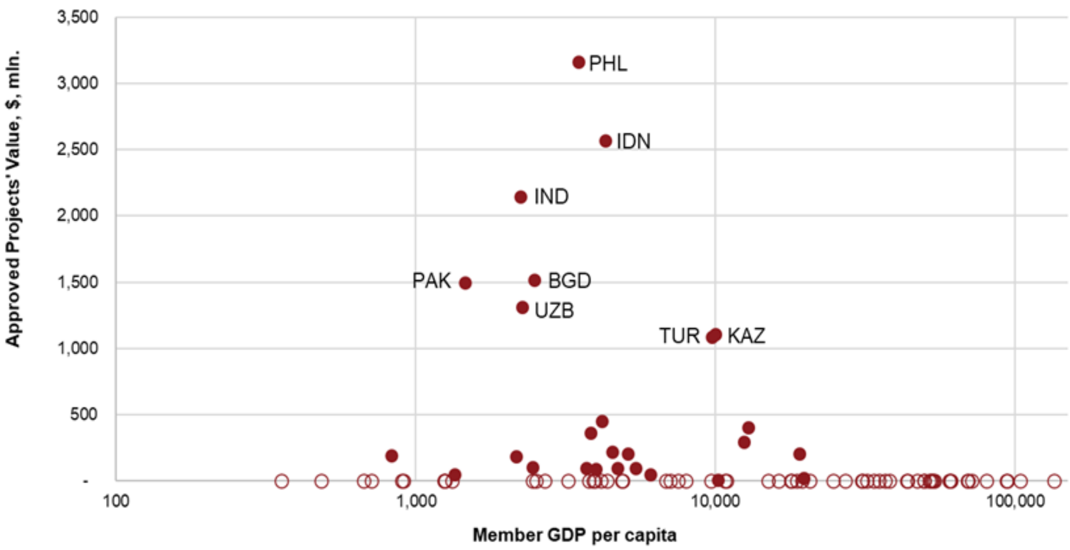
Note: Income levels and regions are based on the WBG classification. Exception: Cook Islands is not a World Bank member and is classified as high income here.

2. AIIB's CRF financing was selective and concentrated: 26 of the 92 Members that had joined before 2023 received support (three Members joined in the late CRF period – September-December 2023 – which was quite late to benefit from the CRF, and are thus excluded from Figure 2). The pattern skews toward the middle of the income distribution: neither the richest 32

1 AIIB. 2025. 2024 AIIB Annual Report. bit.ly/3RpFlmQ

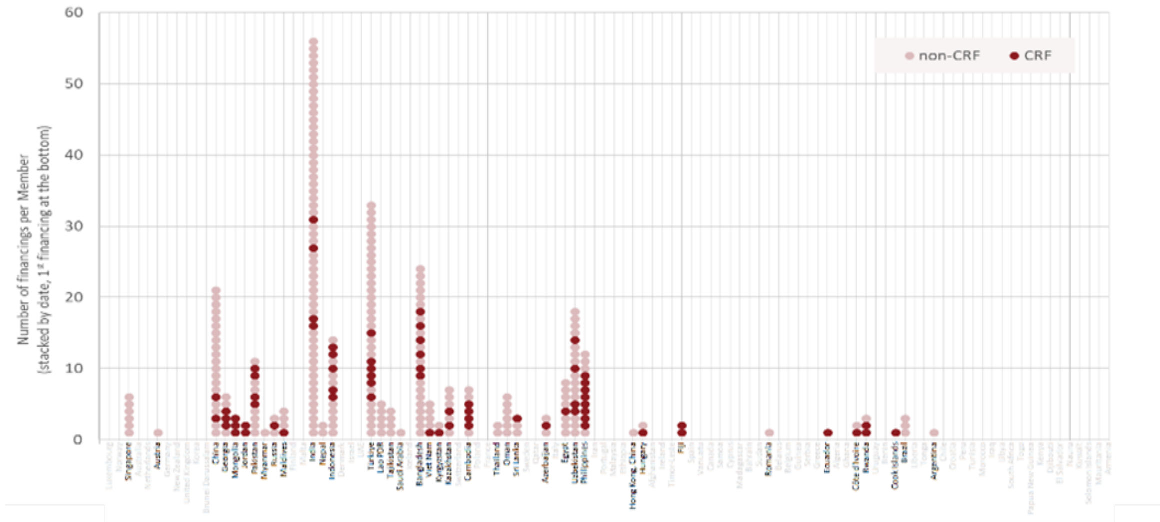
Members nor the poorest 4 received CRF financing. Among high-income Members (as classified by the World Bank), only Hungary and Russia received support. The largest allocations went to several high-population economies – India, Indonesia, Pakistan, Bangladesh, and the Philippines – which aligns with a crisis design aimed at scale and rapid deployment. The timing also suggests that program readiness and urgency played a role: the top recipients had among the earliest CRF approvals (April-May 2020), indicating that the economies were able to prepare and execute sizable operations quickly and absorb more financing.

Figure 2: AIIB Member Financing Under the CRF (GDP per capita as of 2021, Source: WB WDI)



3. CRF financing complemented rather than displaced AIIB's regular operations while also broadening client reach. Eleven Members were first-time borrowers under the CRF (see Figure 3). Of these newcomers, only six received follow-up financing after their initial CRF operation, whereas five borrowed only under the CRF and did not lead to any follow-up operations with AIIB. At the same time, many of AIIB's most active clients (the tallest stacks in Figure 3) continued to secure non-CRF (regular) approvals during the CRF's operating phase, underscoring the continuity of the core pipeline alongside crisis support. Finally, the Cook Islands stands out as the only out of 16 Members that joined AIIB during the CRF's operational period (April 26, 2020-Dec. 31, 2023) and benefited from it. This highlights AIIB's and the facility's openness to new entrants amid the pandemic. It also shows that Members joining during and right after the pandemic did not do so to benefit from pandemic-related support.

Figure 3: Financings Approved per Member



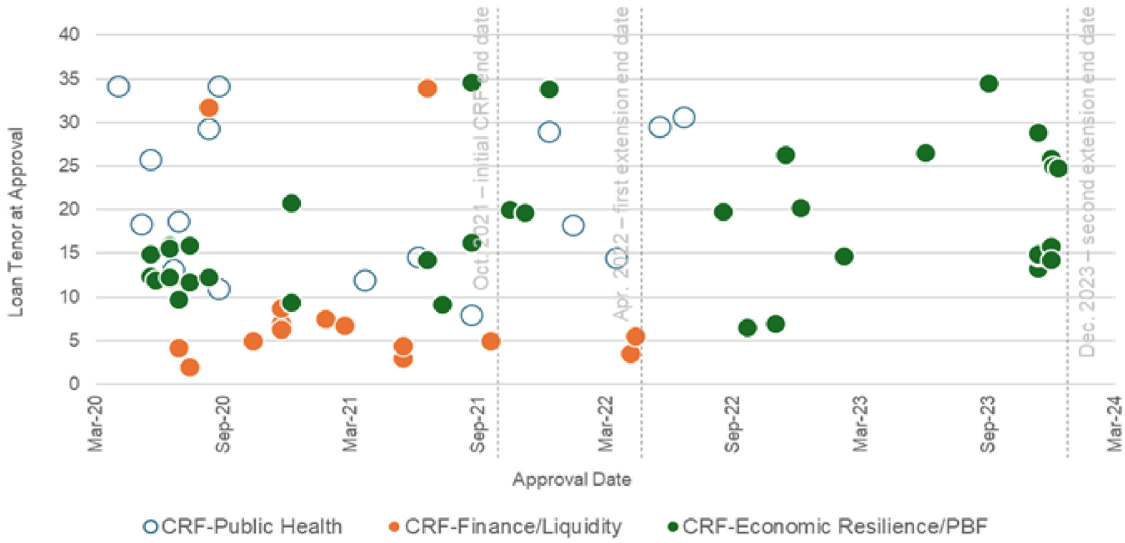
Note: All 104 approved full AIIB Members as of October 2025 are arranged in chronological order of becoming a Member along the horizontal axis. Only the names of borrowing Members are shown.

4. Early in 2020-21, approvals clustered in public health (blue) and finance/ liquidity (orange), with short-to mid-range tenors, reflecting urgent health spending and working-capital backstops (see Figure 4). Notably, liquidity operations carry visibly shorter tenors than the other modalities, averaging 4.5 years if two outlier SBF financings with 32- and 34.5-year tenors are dropped. The second half of 2022 onward, economic resilience/PBF (green) became dominant, with longer, more dispersed tenors as the facility pivoted from immediate containment to structural recovery and policy reforms. This dynamic was also influenced by a narrower focus of the second extension to CRF (from April 2022 until the end of 2023) – the finance/liquidity modality was effectively phased out, and the healthcare modality limited to financing vaccines and emergency/urgent healthcare needs. However, at inception, AIIB had envisaged PBF as an exceptional, selective instrument, to be used when invited to cofinance with the World Bank and ADB, in coordination with the IMF, with maturities deliberately shorter than AIIB's ordinary financings to avoid crowding out long-term investment plans. The subsequent portfolio shows how, as recovery deepened, actual PBF operations nonetheless trended to longer tenors in practice.

5. Approvals clustered in the beginning and end of the CRF in the first five months of CRF operations, reflecting urgent financing needs at the onset of the pandemic. A late-2023 surge, dominated by economic resilience/PBF operations, appears just ahead of the facility's closure, suggesting an effort to finalize eligible projects under the CRF umbrella before completion. By contrast, the initial extension (from October 2021 to April 2022, approved June 23-24, 2021) and the second extension (from April 16, 2022 to Dec. 31, 2023, approved Feb. 24, 2022) did not produce comparable bunching, likely because these decisions were taken well in advance of the respective end dates, allowing pipelines to proceed without end-period "rush" effects. Overall, the portfolio's average tenor lengthens over time, mirroring the shift from crisis response to medium-term resilience and growth. One project – Emergency Assistance to China

Public Health Infrastructure (upper left corner of Figure 4 below) – is treated under the CRF but was approved on April 3, 2020, which precedes the formal approval of the CRF two weeks later.

Figure 4: Approved CRF Facilities



6. **Notably, 12 of the 15 liquidity operations were standalone AIIB financings (see Table 1 below);** of these 12, 11 were direct to financial institutions (a mix of SBFs and NSBFs), underscoring AIIB's confidence and some experience in the on-lending domain, despite being a relatively young institution, to rely on experienced, well-regulated FIs for speed and disciplined risk management. This design – as outlined in the Guidance Note on Liquidity Financing under CRF[2] – leveraged partners with proven credit processes, established SME pipelines, and compliance infrastructure based on their previous experiences with other IFIs and consistent with AIIB's observations from prior Project Learning Reviews,[3] which highlighted selecting seasoned counterparties to accelerate deployment while maintaining safeguards and portfolio quality. AIIB's reliance on experienced cofinanciers for CRF-Economic Resilience/PBF and CRF-Public Health operations reflected a pragmatic strategy to leverage partners' established sector expertise and member platforms while AIIB's own capabilities in policy-based lending and health were still nascent, enabling faster scale-up, quality assurance, and risk control during the crisis.

2 AIIB. 2020. Guidance Note on Liquidity Financing Under CRF.
3 TSKB and Tata Cleantech On-lending Facilities

Table 1: CRF Projects by Modality and Cofinancier

Cofinancier	CRF-Public Health	CRF-Economic Resilience/PBF	CRF-Finance/Liquidity	Total
ADB	6	23		29
EBRD	1			1
IFC	1		1	2
World Bank	7	12	2	21
Standalone	2	1	12	15
Total	**17**	**36**	**15**	**68**

IMPLEMENTATION AND DELIVERY PERFORMANCE

7. **During the COVID-19 crisis, the speed of delivery of financing was critical.** AIIB responded by introducing exceptional fast-track procedures under the CRF. These included simplified internal reviews with single IC reviews, shorter documentation requirements and templates, an increased frequency of virtual Board of Directors meetings – from monthly to every two weeks – and an accelerated process under the "special circumstances" provision of the Board Rules of Procedure to ensure rapid approval of operations.[4] These measures allowed the Bank to process emergency projects on average faster than its regular portfolio, consistent with the institution's focus on timely crisis response.

8. **Implementation readiness, defined as the time between project approval and first disbursement, is one of AIIB's key operational indicators and part of its corporate scorecard.** The indicator targets by 2025 are 12 months for SBF and nine months for NSBF. The average for the regular AIIB portfolio for the period of 2021-23 was 14 months for SBF and 9 months for NSBF.[5] Figure 5 shows that roughly two-thirds of CRF projects showed better implementation readiness than the regular-portfolio averages. The first 15 CRF operations, approved mainly in 2020, were disbursed well below the regular-portfolio benchmark, underscoring the Bank's ability to accelerate delivery at the height of the pandemic.

4 AIIB. 2020. Paper on the Decisions to Support the AIIB COVID-19 Crisis Recovery Facility. bit.ly/3Rr6YRV
5 AIIB. 2025. 2024 AIIB Annual Report. bit.ly/3R6u3Jx

Figure 5: CRF Implementation Readiness by Modality (weeks)

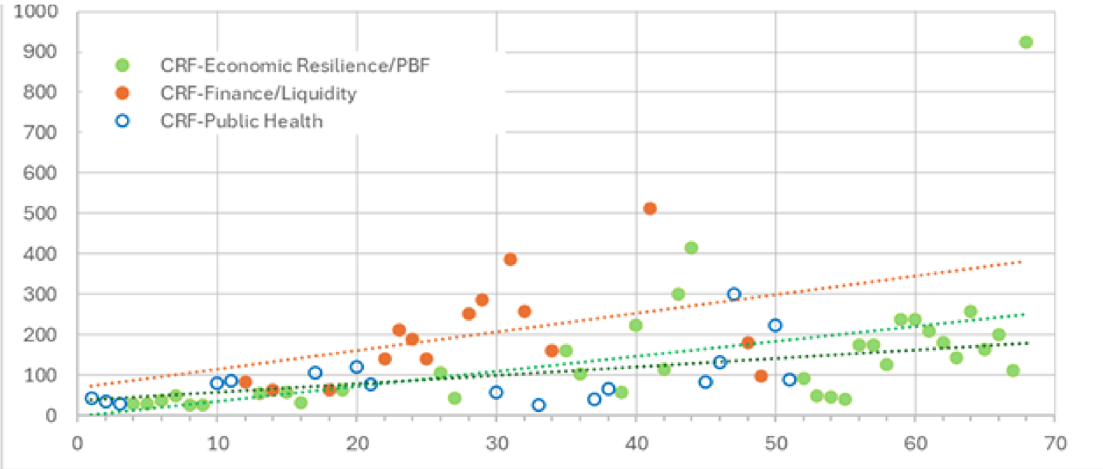
Note: Projects on the chart are displayed in chronological order of approval along the horizontal axis.

9. CRF projects also displayed a reverse pattern compared with normal times: SBF operations moved faster than NSBF ones. On average, SBF CRF projects achieved implementation readiness in 5.8 months, while NSBF averaged 10.4 months. This inversion reflected the crisis context – public-sector clients were able to advance rapidly, often supported by PBF structures that disbursed in a single tranche without linkage to specific expenditures. In contrast, NSBF projects – mostly under the finance/liquidity modality – required due diligence on FI pipelines and subloan eligibility, lengthening the time to first disbursement. These factors always affect the implementation readiness by CRF modalities. Economic resilience/PBF operations were the fastest, averaging about four months between approval and disbursement. Their speed was enabled by cofinancier leadership (mainly ADB and the World Bank) and by the PBF design, which releases funds upon policy actions rather than individual contract verification. Finance/liquidity operations took the longest on average, 11.7 months, reflecting the more complex appraisal and compliance processes for NSBF, seven out of eight of which fell under finance/liquidity modality. Public health projects fell in between, averaging around 6.5 months.

10. The overall trend line indicates that implementation readiness lengthened over time. Later CRF approvals took longer to disburse as the emergency phase waned and project complexity increased. A visible outlier is the Ecuador CONAFIPS COVID-19 Credit Line Project (P000435), which required about 35 weeks to reach readiness. Another CRF project, the Second Health System Enhancement to Address and Limit COVID-19 (HEAL2-AF, Philippines), was ultimately canceled and did not disburse.

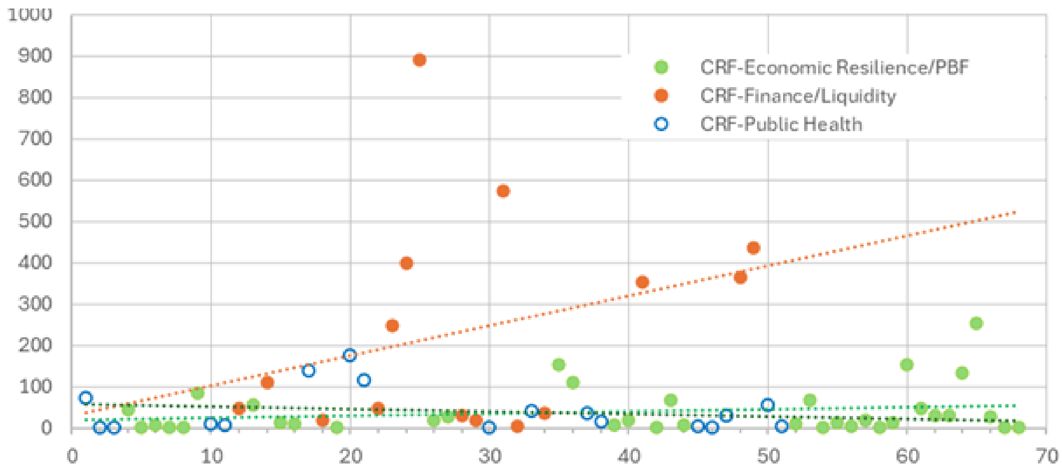
11. It is important to note that implementation readiness captures only part of operational speed. The metric measures post-approval execution, while substantial work occurs before approval – from project identification through concept review and negotiation – which is not consistently tracked in the regular portfolio in AIIB's corporate scorecard. Figure 6 below confirms that concept-to-approval periods lengthened notably as the CRF progressed, reflecting both the shift from the acute emergency phase to later-stage projects and the gradual return to standard processing routines. Early 2020 operations – largely SBF and cofinanced – advanced from concept to approval in just a few weeks, whereas by 2022, several nonsovereign facilities required several months of preparation.

Figure 6: Concept Review to Approval (days)



12. The finance/liquidity modality, which is dominated by NSBF, stands out with the longest processing times at all stages. Figure 7 below reinforces this pattern. This dynamic mirrors the trend observed for implementation readiness: the need to appraise FIs' portfolios, verify subloan eligibility, and complete legal negotiations extended timelines. Among the 15 standalone CRF projects, 12 fell under finance/liquidity modality, explaining its consistently higher averages. By contrast, in the economic resilience/PBF and public health modalities, AIIB was able to leverage the preparatory work of partner MDBs, often joining programs that were already appraised or in later stages of a broader programmatic series. Those earlier preparation efforts – undertaken by ADB, the World Bank, or others – are not captured in AIIB's own data but likely contributed to the shorter recorded durations for these operations.

Figure 7: Approval to Signing (days)



13. The CRF experience illustrates that AIIB achieved unprecedented processing speed in the early crisis months. This was achieved particularly through SBF and cofinanced channels, but the timelines expanded as the portfolio diversified and the emergency response transitioned toward recovery operations. Complexity, novelty of modalities, and the predominance of NSBF drove longer preparation periods. For future crises, and for improving regular operations, AIIB could strengthen end-to-end process streamlining, developing standardized preparatory frameworks, maintaining a roster of pre-vetted financial intermediaries, and capturing pre-approval preparation time in corporate performance metrics. Such institutional learning would enhance both crisis responsiveness and long-term operational efficiency, aligning with the Bank's 2025 efficiency targets and broader readiness agenda.

Table 2: CRF Projects Timeline (days)

Stage	CRF-Economic Resilience/PBF	CRF-Finance/ Liquidity	CRF-Public Health	Overall Portfolio
Concept → Approval	148	202	94	146
Approval → Signing	40	239	42	84
Signing → First Disbursement	79	119	157	107
Total	**267 days**	**560 days**	**293 days**	**338 days**

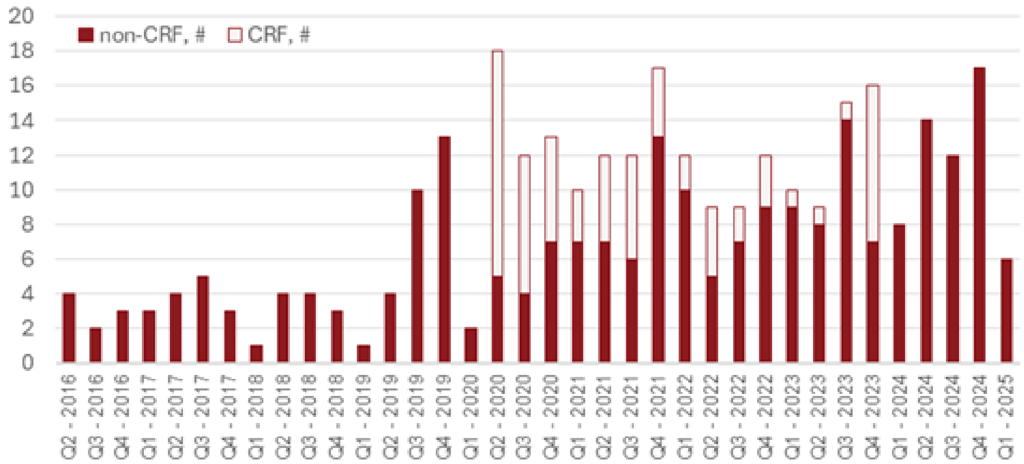
Note: Two projects stand out: the CRF-Public Health project in Philippines, which was canceled and did not disburse, and the CRF-Economic Resilience/PBF project in Pakistan, which took 931 days from concept review to first disbursement.

14. Narrative about closure/canceled reasons. Six projects saw full or partial cancellations, totaling USD579 million. Three ADB-led vaccine projects had a portion or the entire approved amount canceled as the pandemic evolved, and previous expenditures on vaccines were ineligible for reimbursement, in accordance with ADB's retroactive financing regulations. One project was canceled due to a lack of eligible sub-borrowers as the COVID-19 crisis unfolded. Another partial cancellation was a result of changes to the government's needs and priorities, and a final project had small adjustments (<1% of loan amount) based on currency and actual expenditure adjustments (from the Final Review).

FINANCIAL AND RISK PROFILE

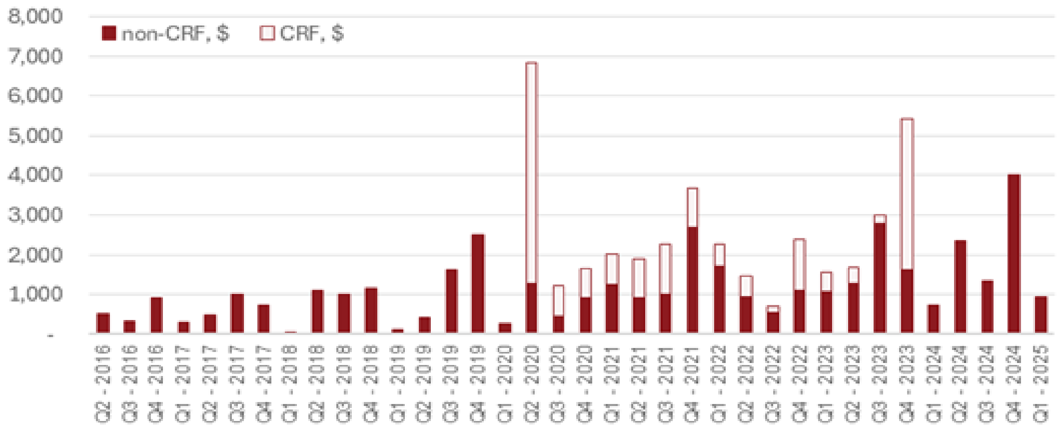
15. CRF project approvals during the COVID-19 period highlights countercyclical response, though without a complete stop of its core operations. AIIB's activity both scaled up and shifted in composition during the CRF period (see Figures 8 and 9 below). From AIIB's establishment in 2016 until 2019, the Bank was building up its operations; quarterly approvals were modest and volumes relatively small, with the second half of 2019 gaining real traction. Q2 2020 marked a step-change, with a sharp spike in CRF approvals (20% of number and 30% of CRF volume approved in this first quarter of CRF operations alone), resulting in a rapid, countercyclical response. Through 2020-21, CRF dominated several quarters in both count and dollars, while non-CRF projects continued in parallel, indicating that crisis operations were additive rather than crowding out the core pipeline. By 2022-23, the CRF share tapered but remained material, and non-CRF approvals and volumes rebounded, with multiple quarters showing double-digit project counts and USD1-3 billion in commitments, signaling a pivot from emergency response toward a normalized, larger baseline of operations. Overall, the facility lifted the cadence and scale of approvals at the peak of the shock and helped establish a higher post-pandemic run-rate for the broader portfolio.

Figure 8: Number of AIIB Approved Projects (2016-Q1 2025)



16. **Contrary to the view that the CRF alone "boosted" AIIB's business, momentum was already rising before the pandemic.** In Q3-Q4 2019 – before the first global COVID-19 case – the Bank approved 10 and 13 projects totaling about USD1.6 billion and USD2.5 billion, respectively, broadly comparable to the post-COVID (2024-Q1 2025) average of roughly 12 projects and ~USD1.9 billion per quarter. The CRF did, however, produce unprecedented spikes, with the first and final CRF quarters reaching approximately USD6.8 billion and USD5.4 billion, the highest quarterly volumes in AIIB's history. The 2020 Business Plan (approved in 2019) envisaged approvals of USD4-5 billion across 20-30 projects for the year (USD1-1.25 billion or five to seven projects per quarter), with later business plans already incorporating pandemic-related changes in business. While the pandemic reshaped the pipeline's mix and sequencing, creating lumpiness – some quarters overshot dramatically under the CRF while others underdelivered – AIIB overall kept up with the pace of core infrastructure finance planned for 2020. After the CRF ended, approvals remained elevated in count but smaller in average size, leaving quarterly volumes mostly in the USD1-3 billion range. In short, the CRF raised the ceiling on what AIIB could deliver in a quarter and boosted the balance sheet, but it did not permanently lift the floor, and perhaps, it slowed down the pace of the core business growth.

Figure 9: Volume of AIIB Approved Projects (2016-Q1 2025) (USD mn)



17. Despite widespread expectations and evidence of a COVID-19-era slowdown in infrastructure investment, AIIB sustained the cadence of its core mandate. Private commitments in infrastructure fell 56% in the first half of 2020 compared to the first half of 2019.[6] Public investment was projected to be lower in 72 of 109 emerging markets and developing economies in 2020 amid fiscal pressure and reprioritization.[7] PPP pipelines also saw delays and cancellations despite governments looking at ways to continue them.[8] However, during the CRF period, AIIB averaged eight infrastructure projects (USD1.3 billion) per quarter, entering the crisis with a solid pre-COVID momentum and capacity built by year-end 2019. In other words, AIIB kept pace even as the global market softened. Without the shock, the underlying trend line likely would have risen further rather than being punctuated by the crisis-driven lumpiness. At the same time, AIIB moved governance and supervision online and used remote missions with targeted in-person visits as conditions allowed, helping keep pre-CRF/pandemic projects moving while new operations were prepared.

18. CRF materially accelerated AIIB's balance-sheet expansion while earnings trends were moderated by interest-rate cycles (see Figure 10). Asset growth peaked at 42% in 2020, the CRF's first year, when about 43% of total CRF approvals volume were concentrated, then eased as the base grew while remaining elevated. Average annual asset growth was ~25% in 2020-23 versus ~8% in non-CRF years. In absolute terms, assets increased by an average USD7.79 billion per year during 2020-23 compared to USD2.04 billion in other years. This scaling-up was enabled by ample paid-in capital from inception (2016), which supported higher borrowing and asset growth. By contrast, interest income and net profit did not exhibit a similar surge, but rather, a trough: while assets expanded rapidly, global policy rates were low, dampening yields. Only later did rising rates lift interest income, benefited by 98% of the CRF portfolio and a vast majority of regular loans being subject to a floating rate base.[9]

6 WBG. 2020. Private Participation in Infrastructure 2020. Half Year Report. bit.ly/4tTTjkR
7 IMF. 2020. Chapter 2 Public Investment for the Recovery. bit.ly/4trmbjs
8 ADB. 2021. COVID-19 and Public–private Partnerships in Asia and the Pacific: Guidance Note. bit.ly/4f9OMWR
9 AIIB. 2025. Annual Financial Statements for the Year Ended Dec. 31, 2024. bit.ly/3OTybvX

Figure 10: AIIB Financials 2016-24

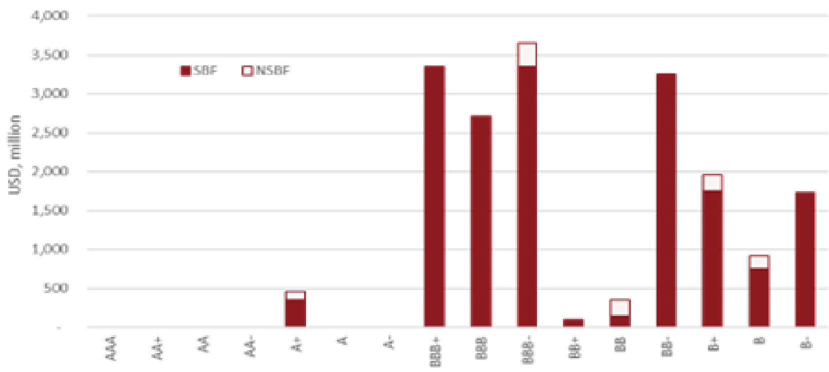
Note: 2016 Financials commence on Jan. 16, the start of operations.

19. The CRF portfolio played a transformative role in shaping AIIB's balance sheet and long-term financial sustainability.[10] By enabling rapid portfolio expansion during 2020-23, the facility both accelerated asset growth and diversified the Bank's loan book across new sectors, instruments, and clients. According to AIIB's end-of-year 2024 financial statements,[11] gross interest income from the loan portfolio totaled USD1,527.8 million, including the amortization of front-end fees and other directly related origination costs forming part of the effective interest rate. The CRF portfolio accounted for approximately 58% of this gross interest income, mirroring its 58% share of total gross loans – USD15.6 billion out of AIIB's USD26.6 billion outstanding at year-end 2024. At the start of 2024, CRF exposures represented about 61% of total gross loans, underscoring their centrality to the Bank's income generation and capital utilization in the post-crisis period. As the facility closed at year-end 2023 and regular operations resumed their growth trajectory, the relative weight of the CRF portfolio naturally began to decline, but its financial legacy – higher scale, stronger income base, and a more diversified asset structure – continues to underpin AIIB's overall balance-sheet resilience.

20. The CRF portfolio was broadly distributed across sovereign credit ratings, reflecting AIIB's dual objectives of crisis responsiveness and prudent risk management. The only A-rated borrower under the CRF was China, while other commitments were in the BBB to BB rating range, consistent with the credit profiles of many middle-income Members most affected by the pandemic. This composition illustrates AIIB's balancing act: to preserve its financial soundness and AAA rating, the Bank needed to combine higher-risk exposures with lower-risk sovereigns, ensuring that the overall portfolio remained within investment-grade parameters. Notably, there was no clear correlation between the preference for NSBF financing and lower-risk members; NSBF exposure was present across both investment- and non-investment-grade categories, suggesting that operational opportunity and crisis urgency, rather than credit quality, shaped AIIB's engagement during the CRF period.

10 AIIB. 2024. Final Review of the Covid-19 Crisis Recovery Facility. bit.ly/4txnz4c
11 AIIB. 2025. Auditor's Report and Financial Statements for the Year Ended Dec. 31, 2024. bit.ly/4d9w1jM

Figure 11: CRF Financing Approval by Credit Rating in 2020



Note: Credit rating information corresponds to mid-2020, during the early operational years of the CRF. Data were sourced from the official websites of S&P, Moody's, and Fitch. One Member (Ecuador) was rated in Selective Default in mid-2020; this status was removed later that year. Ratings are based primarily on S&P long-term foreign currency sovereign credit ratings. In four cases where an S&P rating was unavailable, Moody's or Fitch ratings were used and equivalent letter grades were applied (e.g., Ba2 = BB). Rating methodologies and associated default probabilities were not harmonized across agencies.

21. The CRF portfolio reflected distinct E&S risk profiles across its three pillars. Public health operations were the riskiest category, with most classified as Category B and a few as Category C, reflecting construction and rehabilitation of health facilities under urgent pandemic conditions – activities involving occupational health and safety, waste management, and infection control risks. Economic resilience and PBF operations were generally less E&S risky, as they primarily supported budgetary or policy measures without direct physical investments. In these cofinanced operations, AIIB could rely on the E&S systems of partner MDBs, which largely met AIIB's Environmental and Social Policy (ESP) requirements and ensured satisfactory due diligence and supervision standards. Finance and liquidity operations were mainly intermediated through financial institutions and government agencies. As such, their E&S risk was assessed at the institutional level (rated Category FI), with subproject risks managed through the intermediary's Environmental and Social Management System (ESMS). Given the nature of these facilities – short-term, working-capital or liquidity support – the underlying subloans were usually low to moderate in E&S risk, with monitoring and reporting largely delegated to the FIs.

Table 3: CRF Environmental and Social Risk profile

Row Labels	CRF-Economic Resilience/PBF	CRF-Finance/ Liquidity	CRF-Public Health	Grand Total
B	5		**12**	17
C	**29**	1	5	35
FI		**14**		14
Not applicable	2			2
Grand Total	**36**	**15**	**17**	**68**

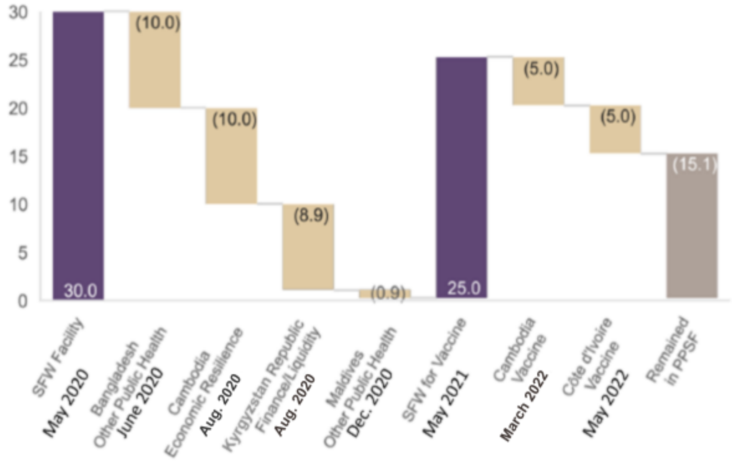
C. SPECIAL FUND WINDOW: DESIGN, UTILIZATION, VALUE-ADDITION

1. **The SFW was designed to make AIIB loans more affordable for its less developed Members through interest-rate reductions.** First piloted under the CRF in May 2020, the SFW provides interest-rate buydown to eligible sovereign-backed financing projects. The financing can receive a buydown of up to 100 basis points from the regular interest for USD-denominated loans, with an interest rate floor of zero. The buydown can apply to other hard currency loans provided by AIIB, in which the Bank will calculate an applicable buydown rate for that currency on a project-by-project basis. Funding comes from voluntary contributions from AIIB's Members. The SFW is open to AIIB Members that are classified by the World Bank as having IDA-only status and can support AIIB Members with IDA blended status when suffering from severe and intense natural disasters. IDA status at the time of project approval applies. Any eligible AIIB Member's sovereign-backed financing operations are eligible except for policy-based financing. Projects that are aligned with AIIB's Corporate Strategy's thematic priorities or other exceptional business priorities, such as COVID-19 crisis recovery, can be supported by the SFW.

2. **The SFW was established to reinforce AIIB's commitment to supporting less developed Members.** AIIB's Articles of Agreement state that the Bank pay special regard to the needs of its less developed Members in the region. Furthermore, the Bank's Corporate Strategy commits to broadening the Bank's client outreach across the income spectrum. The design features of the SFW are guided by three key principles fundamental to AIIB's business model: preserving AIIB's financial sustainability and sound banking principles, operating within AIIB's multilateral governance, and funding the SFW through voluntary contributions from its Members. Prior to the establishment of the SFW, the PPSF was created in June 2016 to help AIIB's less developed Members. The PPSF is a multidonor facility that provides technical assistance grants to support the preparation and early implementation of high-quality bankable projects. The PPSF is also funded by voluntary contributions from AIIB's Members.

3. **Initial funding for the SFW came from a carve-out of the PPSF, which was later replenished to support vaccine financing.** When the Board of Directors agreed to establish the SFW under the COVID-19 CRF, the funds came from a USD30 million carve-out of the PPSF. As the initial carve-out was quickly depleted, a second replenishment of USD25 million for the SFW from the PPSF was agreed to support vaccine financing in less developed Members in May 2021. This new model of financing enabled the Bank to support its less developed Members while staying within the Bank's operational parameters.

Figure 12: SFW Facility Replenishment and Utilization



4. Whether the SFW qualifies as concessional financing depends on specific loan characteristics and market conditions. The IMF defines concessional borrowing as "loans with a grant-element of at least 35%, evaluated at a discount rate of 5%."[1] The application of an interest-rate buydown means that an AIIB loan may or may not meet this definition depending on factors such as the loan profile and reference rate determined by the general interest rate in the market. While many other MDBs provide a fixed-rate product to their lower-income Members, the SFW is not a fixed-rate product. It is instead a blended finance facility designed to be combined with AIIB's existing pricing policy. For example, AIIB currently offers floating rate products for its sovereign lenders.

5. The SFW has been selectively applied to eligible projects under both CRF and regular operations. Within AIIB's CRF operations, 11 out of the 68 projects were eligible for the SFW. Ultimately, only 6 projects out of the 11 received the SFW with a total volume of USD40 million. The following Members utilized the SFW under the CRF Facility: Côte d'Ivoire, Cambodia, Bangladesh, the Maldives, and Kyrgyzstan. Cambodia applied the SFW to two separate CRF projects. For regular operations, the SFW has been used for four projects from Cambodia, Lao PDR, and the Maldives.

1 IMF. 2020. Reform of the Policy on Public Debt Limits in IMF-Supported Programs. bit.ly/4uzgWPx

Table 1: Projects Under CRF Benefited from SFW Interest-Rate Buydown

Member and Projects	Sector	Approval Year	Approved Loan (USD million)	SFW Grant (USD million)	SFW Grant
Maldives: Emergency Response (P000378) (S000616)	Public Health	June 2020	7.3	0.87	100
Bangladesh: Emergency Response (P000397) (S000618)	Public Health	August 2020	100	10	51
Kyrgyzstan: Private and Financial Sector Support (P000423) (S000617)	Finance/ Liquidity	August 2020	50	8.87	100
Cambodia: Economic Resilience (P000446) (S000619)	Economic Resilience/ PBF	December 2020	60	10	100
Cambodia: Immunization Support (P000521) (S000620)	Public Health	March 2022	50	4.95	100
Côte d'Ivoire: Vaccination and Health System (P000560) (S000621)	Public Health	May 2022	100	5	21.8

D. CASE STUDIES

CHINA – EMERGENCY ASSISTANCE TO CHINA PUBLIC HEALTH INFRASTRUCTURE PROJECT

CONTEXT AND RATIONALE

1. **The first cases of COVID-19 in China appeared in late December 2019 as clusters of severe pneumonia in hospitals in Wuhan, the capital of Hubei province and home to 11 million people.** Infections grew exponentially, overwhelming Wuhan's treatment capacity. On Jan. 20, 2020, China declared a national emergency and imposed a strict 76-day lockdown on Wuhan starting Jan. 23, 2020. By then, cases were spreading nationwide, underscoring the urgent need to strengthen health systems to detect and contain emerging infectious diseases like COVID-19.

2. **Against this backdrop, AIIB approved the Emergency Assistance to China Public Health Infrastructure Project on April 3, 2020, which became effective on July 10, 2020.** The project was both a goodwill commitment and an emergency response to help China enhance pandemic management capacity in Beijing and Chongqing. The project focused on providing emergency equipment and supplies and upgrading public health infrastructure. By March 2020, China had largely contained COVID-19 domestically, but the pandemic's trajectory remained uncertain. Global transmission continued, and imported cases posed ongoing risks, requiring preparedness and vigilance.

3. **The 2003 SARS outbreak had previously exposed weaknesses in China's disease control system, including poor information-sharing, shortages of trained personnel, and inadequate response management.** Subsequent reforms improved infrastructure, data systems, and public communication. However, the COVID-19 outbreak revealed further gaps: delays in releasing epidemiological data, outdated emergency response systems, and insufficient collaboration among disease control staff, clinicians, and researchers. Equipment reserves were inadequate, infection control capacity was limited, and advanced technology for pathogen research needed strengthening. Finally, there was an urgent need to build and equip a nationwide team of public health and emergency response professionals.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

4. **China – Emergency Assistance for Public Health Infrastructure (P0000367) was the first project of the CRF as well as the Bank's first public health project and first emergency loan.** As a USD355 million loan, it was a standalone operation and one of two China projects in the CRF portfolio. Four site visits were undertaken by AIIB from November 2020 to June 2021, including a project implementation support mission, procurement post-review mission, financial review mission, and project completion mission. Overall, the project implementation was completed on time and project objectives were achieved within the implementation period.

5. **The project objective was to strengthen the public health emergency response infrastructure in Beijing and Chongqing** through upgrading public health infrastructure and providing emergency equipment and supplies.

6. The project comprised two pillars.

7. **Pillar 1: Strengthening of public health emergency response capacity in Chongqing**

8. **Component 1.1.** Sustainable development of public health infrastructure and health system, consisting of upgrading epidemic prevention and control agencies (such as CDCs) at the provincial, city, and county levels through the provision of appropriate equipment and facilities and upgrading the centers; enhancing the medical treatment capacity of selected hospitals and laboratories; enhancing the capacity of health centers at the grassroots level through the provision of ambulances, wastewater treatment facilities, and digital outpatient infrastructure; and training the CDC public health workforce and hospital staff.

9. **Component 1.2.** Emergency response, comprising supplies for preparedness, prevention, and emergency response.

10. **Pillar 2: Strengthening of public health emergency response capacity in Beijing**

11. **Component 2.1.** Sustainable development of public health infrastructure and system, consisting of upgrading designated epidemic hospitals; enhancing the capacity of the CDC in disease identification, prevention, and control through improved laboratories and information systems and strengthened cross-sector cooperation between the CDC and medical institutions; enhancing the treatment capacity of selected hospitals, specifically two major children's hospitals and one major chest hospital; and developing a unified Emergency Dispatch and Command Information System.

12. **Component 2.2.** Emergency response, comprising supplies for preparedness, prevention, and emergency response, including medical equipment.

Institutional Arrangements

13. **The municipal government of Chongqing and the municipal government of Beijing led implementation, while the Ministry of Finance managed fiduciary oversight.** Auditing was conducted by the Chongqing municipal audit office and the Beijing municipal audit office.

14. **Beijing and Chongqing each established a project management unit (PMU).** In Beijing, it was co-led by the municipal finance bureau, health commission, and medical products administration. In Chongqing, the PMU was led by the municipal health commission. The PMUs managed the loan, assigned responsibilities, facilitated procurement and training, resolved issues, coordinated with project implementing units, prepared consolidated financial reports, monitored progress, and served as the single communication channel with AIIB. Both PMUs included staff

with prior experience working with MDBs; in Chongqing, two of the three operations staff had previously managed MDB projects.

15. AIIB staff overseeing procurement, financial management, disbursement, and E&S safeguards were Chinese nationals with prior World Bank experience. Most supported the project throughout its duration. Their strong knowledge of the country and familiarity with MDB practices enabled timely delivery, effective monitoring, and compliance with quality and policy standards. However, the AIIB team lacked health expertise. Instead, the project received sequential support from two health consultants: a senior national health specialist and former director of the Chinese Center for Disease Control and Prevention (CCDC) during SARS, who ensured alignment with China's COVID-19 response during project design; and an international health economist experienced in MDB operations and China, who supported implementation and project closure. COVID-19 travel restrictions prevented both consultants from conducting site visits, limiting opportunities for information exchange, feedback, capacity building, and rapid needs assessment as priorities evolved.

Fund Allocation Adjustment

16. Due to the rapid evolution of the pandemic during implementation, the implementing entities proposed re-allocating funds among project activities. The project team approved these adjustments as they reflected actual public health needs in Beijing and Chongqing and supported project objectives and value-for-money principles. The re-allocations did not alter project objectives, and no legal amendments were required. Key reasons included: reduced demand for emergency supplies due to effective COVID-19 control; inability to complete some planned activities within the tight loan timeline, which were funded by other government sources; and high demand for strengthening pandemic response capacity and improving medical treatment, especially in Chongqing. No additional financing was deemed necessary.

RESULTS AND ACHIEVEMENTS

17. The program achieved or exceeded all its objectives and was fully disbursed on schedule. Project preparation took 35 days to complete, and within one year, implementation was completed and the project objectives achieved, demonstrating the capability and agility of the Bank's team in addressing emergency situations.

Quantitative Results

Project Objective Indicators	Date	End Target 2021	
Intermediate Result Indicators		**Target**	**Actual**
Number of CCDCs (including all administrative levels) that complete the planned upgrading through the support of the project (Chongqing)	March 31, 2020	>10 units	15 units
Number of public health and medical workforce receiving training supported by the project (Chongqing)	March 31, 2020	>2,000 persons	3,567 persons
Increase of capacity (in terms of number of beds) for medical treatment of infected patients (Beijing)	March 31, 2020	1,330 beds	>1,330 beds
Establishment of a unified Emergency Dispatch and Command Information System at the municipal level (Beijing)	March 31, 2020	Yes	Yes

18. Chongqing. There are two intermediate results indicators for Chongqing in the Results Monitoring Framework: The number of CDCs that completed the planned upgrading through the support of the project; and the number of public health and medical workforce receiving training supported by the project. 15 CDCs were upgraded with the support of the project, including one at the municipal level, nine at the district level, and five at the county level. About 3,500 public health workers completed the designed training programs. According to the completion report for Chongqing, the summary of major achievements under the project in Chongqing are as follows:

- The capacity for case detection, confirmation, and medical treatment in Chongqing was enhanced through upgrading 15 CDCs, including the procurement of advanced equipment for laboratories to improve virus detection and identification; provision of equipment and emergency supplies for 138 hospitals to enhance their medical treatment capacity in dealing with epidemic emergencies, including 7 municipal hospitals, 64 district hospitals, and 67 county-level hospitals.
- The capacity of the health system was strengthened through the enhancement of capacity for 108 health facilities at the grassroots level (52 in districts and 58 in counties) covering 15 districts and counties; and providing training for more than 3,500 public health workers in Chongqing.
- The level of pandemic preparedness and the capacity for general health service delivery was increased through the acquisition of medical equipment; and expanding training programs for specialized nurses in the disinfection supply centers in hospitals.

19. Beijing. There are two intermediate results indicators for Beijing in the Results Monitoring Framework: An increase in capacity (in terms of numbers of beds) for medical treatment of infected patients in Beijing; and the establishment of a unified Emergency Dispatch and Command Information System at the municipal level. At project completion, the number of hospital beds for emergency use had increased to 1,800 beds in the three designated hospitals for the pandemic. The project also provided equipment such as disinfection and sterilization equipment, monitors, ventilators, refrigeration facilities, and visual call intercom equipment to those beds. The unified

Emergency Dispatch and Command Information System at the municipal level was established in the Beijing Emergency Medical Center and is in operation, as seen during the mission. According to the completion report for Beijing, the summary of major achievements under the project in Beijing are as follows:

- The capacity for case detection, confirmation, medical treatment, and contract tracing was enhanced in Beijing through establishing an enhanced three-stage defense system with three designated pandemic hospitals; providing more than 200,000 person-set of test kits; and supporting the use of information system and big data application for pandemic control and epidemiological investigations.
- The capacity of the health system was strengthened through upgrading the separate fever clinics in all 22 municipal hospitals; setting up the Emergency Dispatch and Command Information System, enabling more than 120 hospitals and public health institutes to share information; and directly providing the latest information on the fast-evolving pandemic situation to the Beijing municipal government for policy decision-making.
- The level of pandemic preparedness and the capacity for general service delivery were increased through the acquisition of medical equipment; expanding training programs for health personnel; and strengthening cross-sector collaborations between public health institutions and medical institutions in epidemic control.

LESSONS AND INSIGHTS

20. Several lessons were learned after project completion.

21. Alignment with the national emergency response agenda is critical. Leveraging existing institutions and systems (once assessed as satisfactory by the Bank) can significantly enhance implementation efficiency.

22. Flexibility in project design is essential. It allows for adjustments to project activities during implementation to address evolving needs as the emergency (such as an epidemic) progresses.

23. Digital innovation in epidemiological investigations demonstrated the added value of technology in strengthening public health infrastructure. The project supported the Beijing CDC in developing a decision-support platform and a big data analysis system for pandemic prevention and control. This system provides the public with complete, continuous, accurate, and timely epidemic prevention information; offers disease control experts a solid basis for traceability; and equips decision-makers with forecasts on infectious disease trends.

24. Soft components are equally important in emergency projects. The training components were well implemented and received positive feedback from the client. These efforts also help ensure the sustainability of the physical assets financed by the project.

CHALLENGES

25. Wide project coverage and complex multilevel coordination between the municipality, districts, and implementing units.

26. Frequent external changes during the pandemic required ongoing demand and procurement adjustments.

27. Urgent timeline and multiple stakeholders made project execution and monitoring resource intensive.

28. **Limited prior experience in managing foreign-funded projects at the municipal level.** Ensuring full compliance with both AIIB and domestic procurement and financial regulations under emergency conditions.

AIIB EVALUATION MISSION (OCT. 27, 2025) AND KEY FINDINGS

29. **An AIIB mission took place in Beijing (in-person) and Chongqing (virtual).** The team met in person with representatives from the Beijing Municipal Finance Bureau; Beijing Municipal Health Commission; Beijing Hospital Management Center; Beijing Municipal Center for Disease Control and Prevention; and Beijing You'an Hospital. Site visits were conducted at the Beijing You'an Hospital and the Beijing Center for Disease Prevention and Control. During the Chongqing virtual meeting, team members met with representatives from the Chongqing Municipal Finance Bureau; Chongqing Municipal Health Commission; Chongqing CDC; Chongqing People's Hospital; and various district health commissions.

Key Findings from the Mission

Beijing

30. **AIIB-financed medical equipment remains in active use and continues to play a critical role in disease prevention and control today.**

- Despite the end of the pandemic, much of the medical equipment funded by AIIB is still being utilized and remains essential for ongoing public health preparedness.
- At the Beijing CDC, the team observed that laboratory equipment used for nucleic acid screening and monitoring is now applied to research and sample testing. The visit also included demonstrations of four mobile testing trucks, a server room hosting the emergency dispatch system, and medical-grade drones.

31. **The project effectively addressed critical gaps in Beijing's health systems at a pivotal time.**

- During the pandemic, AIIB's investment supported the renovation of You'an Hospital in 2020, enabling it to become a designated COVID-19 treatment facility. Specifically, the funds upgraded the C building for infectious diseases, with a primary focus on enhancing ventilation systems to ensure proper air circulation and pressure control.
- The investment also helped the hospital meet the bed capacity required to activate a Level 2 emergency response, which allows for the conversion of an entire hospital building for infectious disease emergencies.
- During the site visit, the mission team observed that the building is divided into three zones: (1) Clean, (2) Potentially contaminated, and (3) Contaminated. Each zone had air pressure adjusted accordingly to maximize protection. Four ventilation ducts on each floor connect directly to the roof, while computer control rooms manage the clean and contaminated areas in real time.

32. The investments have strengthened municipal preparedness and improved long-term public health system resilience.

- AIIB financing supported the development of Beijing CDC's online data and visualization platform, including hardware and display systems used to model and simulate disease transmission. This platform was critical during the pandemic and continues to be used for risk analysis and epidemic management.
- The epidemiology reporting system can automatically extract key information from Word documents and transfer it to Excel for analysis. Artificial intelligence tools are employed to generate daily reports, and the system is integrated across all hospitals in Beijing, forming a centralized data network.
- The COVID-19 response system, financed by AIIB, has since been incorporated into a broader, citywide communicable disease monitoring platform. It has enhanced coordination and communication among the CDC, hospitals, and government agencies, improving epidemic analysis, forecasting, and decision-making processes.

Chongqing

33. AIIB helped fill critical gaps in medical infrastructure and response capacity during the pandemic.

- Created a short-term loan agreement system clarifying responsibilities across government levels, ensuring efficient and institutionalized fund flow.
- Demonstrated no disbursement or reporting delays due to strong coordination among departments.
- Improved nucleic acid testing capacity from 2,000 to 10,000 samples per day, and deployed over 70 ambulances.
- Adopted a hybrid online-offline training model, expanding training coverage from 2,000 to 3,500 personnel.

- Integrated the procured medical equipment into unified management systems for long-term use (service life of five to eight years, with city-level plans already in place for replacement and continuity management.

34. AIIB supported smooth procurement procedures and strong financial management.

- Followed central government "green channel" procurement procedures for emergency response.
- Strengthened internal control mechanisms through pre-, mid-, and post-implementation management.
- Required all implementing units to undergo post-audit reviews to ensure compliance and accountability.
- Established a short-term loan agreement system clarifying roles and responsibilities across government levels.
- Fund transfers were institutionalized and highly efficient, with no observed delays in disbursement or financial reporting.

EVALUATION ASSESSMENT

Relevance – Highly Relevant

35. Highly relevant to AIIB's CRF objectives and China's national public health priorities at the onset of the pandemic. The program addressed core pandemic-response needs while advancing the public health infrastructure in Beijing and Chongqing.

Effectiveness – Effective

36. Substantial achievement of objectives; exceeded key targets on upgrading CDCs, public health and medical workforce training, and number of hospital beds. Demonstrated strong institutional performance and adaptive implementation capacity.

Efficiency – Highly Efficient

37. The project was implemented on time, and objectives were achieved during implementation. There were no delays in loan disbursement or financial reporting. Efficiency could be attributed to the close cooperation among all implementing units.

Sustainability – Sustainable

38. Medical equipment provided is still in use, and training of medical personnel is being utilized. Devices and equipment provided to Chongqing had an average service life of five to eight years, with established plans for replacement. AIIB-financed COVID-19 response systems have been integrated into Beijing's broader communicable disease monitoring platform.

Added Value

- AIIB demonstrated agility and flexibility in the context of a global pandemic to ensure deadlines were met and objectives achieved in a timely manner.
- The Bank provided efficient, professional, and timely support, engaging public health experts to guide project preparation and implementation.
- Preparation work was completed in just one month, setting a record for a sovereign loan.
- AIIB maintained close communication throughout implementation, conducted field visits, and provided problem-solving support.

OVERALL ASSESSMENT AND CONCLUSION

39. The China – Emergency Assistance to China Public Health Infrastructure Project has made a lasting and meaningful contribution to strengthening Beijing's and Chongqing's public health systems. The mission findings show that AIIB's timely investments filled a critical gap during the COVID-19 pandemic by supporting infrastructure upgrades, medical equipment procurement, and digital systems for disease control and response. Despite the pandemic ending, much of the medical equipment and systems financed under the project, including laboratory tools, emergency dispatch systems, and data platforms, remain in active use and are now integral components of municipal disease prevention, surveillance, and emergency preparedness. The project also facilitated the renovation of key health facilities, such as You'an Hospital in Beijing, enabling them to meet the standards required for infectious disease treatment and emergency response.

40. Overall, the project not only addressed urgent health system deficiencies at a critical time but also established a foundation for long-term resilience. The continued utilization of AIIB-financed assets underscores their relevance and value for ongoing disease monitoring and control. By supporting stronger coordination between hospitals, CDCs, and municipal authorities, the project enhanced information sharing and epidemic management capacities. While the mission noted some operational and maintenance challenges, the overall outcome demonstrates that the project effectively met its objectives of improving public health infrastructure, building institutional capacity, and strengthening emergency response readiness in China's largest municipalities.

HUNGARY – EMERGENCY ASSISTANCE FOR HEALTHCARE EXPENDITURES

CONTEXT AND RATIONALE

41. The pandemic interrupted Hungary's strong economic growth performance in 2016-19, marked by the lowest unemployment rates in three decades and significant increases in real income. In 2020, Hungary's GDP contracted 5.1% year-on-year, and unemployment rates rose 4.2% year-on-year.[1] By mid-2021 recovery was underway, supported by a rapid vaccine rollout. However, high inflation and interest rates from mid-2022 to mid-2023 dampened economic activity and created uncertainty for investments. The labor market, however, remained relatively resilient, with unemployment remaining somewhat stable and growth resuming in mid-2023.[2]

42. Hungary entered the pandemic with a relatively well-developed laboratory system linked closely to their public health system. Hungary was also a pioneer in developing public health training in Central Europe, which strengthened their capacity in this area.[3] Prior to its first domestic COVID-19 case, the Government of Hungary established an Operational Corps in January 2020. On March 11, 2020, Hungary declared a national state of emergency, granting the government to enact emergency decrees and policy measures to combat the spread of COVID-19.[4] This decision was controversial as it gave almost unlimited authority to the executive to rule by decree. The government also received backlash in April 2020 after ordering hospitals to free more than 30,000 beds for COVID-19 patients, forcing doctors to discharge existing patients.[5] In the same month, the government announced a Pandemic Protection Fund of approximately EUR1.8 billion to support the health care system and cover pandemic-related costs.[6]

43. Containment measures during the first wave of COVID-19 and sector-specific measures during the second wave aimed at preserving economic activity and fostering a gradual return to growth. The government established a short working scheme to contain unemployment while businesses received support through a moratorium on loan repayments, reduced interest rates, and lower social security contributions and grants.[7] In April 2020, businesses and self-employed individuals with revenue loss of at least 40% could defer payroll, tax, and social security payments. The following month, a wage subsidy program was launched to stimulate new employment. Parliament later expanded the economic protection package with tax cuts, reduced social contributions, and full corporate income-tax exemptions for reinvested

1 OECD. 2021. OECD Economic Surveys: Hungary 2021. bit.ly/3QVPX2k
2 OECD. 2024. OECD Economic Surveys: Hungary 2024. bit.ly/4cXv1Av
3 Martin McKee. 2020. Learning from success: how has Hungary responded to the COVID pandemic? Geoscience. bit.ly/4eAa3ZI
4 Oxford Constitutional Law. 2023. Hungary: Legal Response to COVID. bit.ly/49DrMfh
5 Lily Bayer. 2020. Politico. Hungarian doctors question coronavirus response. bit.ly/3QYBQcn
6 European Commission. 2021. Hungary Country Health Profile 2021. bit.ly/4uEOA6I
7 OECD. 2021. OECD Economic Surveys: Hungary 2021. bit.ly/4uAXu50

profits. Financing was partially raised through new retail and banking taxes, alongside the creation of an economic protection committee to reduce administrative burdens.

44. Under these conditions, AIIB approved the only CRF operation in Hungary, the Emergency Assistance for Healthcare Expenditures Project, on Aug. 27, 2022.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

45. Under the CRF, AIIB provided a USD207 million loan as a standalone project to Hungary. The objective was to strengthen the public health emergency response infrastructure and improve Hungary's pandemic preparedness.

46. The three project components were as follows.

47. Component 1: Building case management capacity. Emergency procurement of oxygen therapy devices, vital sign monitors, personal protective equipment, and medication to increase the case management capacity of COVID-19 patients.

48. Component 2: Strengthening hospital laboratory system. Emergency procurement of laboratory equipment, test kits, reagents, and other testing supplies to increase testing capacity per the national COVID-19 guidelines and regular case reporting for surveillance purposes.

49. Component 3: Refurbishment of hospital buildings. Refurbishment of 17 hospitals in Budapest, including hospitals used for the case management of COVID-19 patients and essential hospitals required to remain open during the pandemic. The targeted hospitals are national/regional level designated COVID-19 care centers, hospitals where patients face a significantly higher risk due to their chronic diseases, or hospitals where capacity must be fully maintained during the pandemic. The investments provide the hospitals with modern technology through the installation of efficient ventilation systems to operating rooms; development of unified hospital access control systems and patient referral areas; and renovation of hospital wards, waiting areas, and the connecting social areas. Other upgrades include replacement of surfaces (e.g., floors and walls) to allow for better disinfection, replacement of water pipes, and reorganization of patient flow to improve infection control measures. These are crucial features to help hospitals prepare for potential future waves of COVID-19 and improve the overall capacity of the patient care system in general and the ability of the system to respond to future pandemics.

Institutional Arrangements

50. The borrowing entity was Hungary's Ministry of Finance. At the start of the implementation, the Department for International Finance under the Ministry of Finance was tasked to lead the coordination of the implementation of the project. Due to a reorganization of the central government administration in 2022, the Department for International Cooperation and Development Finance under the Ministry for Economic Development (MoED) became responsible for the supervision of project implementation. The project implementation agencies (PIAs) remained unchanged during project implementation. The National Directorate General for Hospitals (OKFŐ), under the supervision of the Ministry of Interior (formerly Ministry of Human Capacities), was responsible for the implementation of Components 1 and 2, and the Directorate for Public Procurement and Supply (KEF), under the supervision of the Ministry of Finance, was responsible for Component 3. During the most severe epidemic crisis period in Hungary, the Ministry of Foreign Affairs and Trade assisted OKFŐ in the emergency procurement of essential equipment and supplies under Components 1 and 2, after which the procured items and implementation responsibility were fully transferred to OKFŐ. The PIAs, OKFŐ, and KEF were fully responsible for the implementation of the project activities under the respective components, including contract management, monitoring and supervision, quality control, approval of payment certificates for supply contracts, authorizations for payment, and safeguards implementation. For the supervision of Component 3, KEF had designated 10 project managers to conduct construction supervision for the works in the 17 hospitals.

51. AIIB contracted the Emergency Care Research Institute (ECRI), an independent not-for-profit health care technology management and patient safety organization, to conduct a review of already completed procurements for technical adequacy, deployment of supplies, and prices paid against the available information at the time with satisfactory results. ECRI also assisted with the implementation monitoring of hospital refurbishment activities, which were also found satisfactory.

RESULTS AND ACHIEVEMENTS

52. All the project results were fully achieved, and AIIB support was provided in a timely manner. At project closing, 99.2% of the committed loan amount had been utilized. The undisbursed amount was cancelled. The emergency procurements under Components 1 and 2 were fully completed by Sep. 10, 2021. The refurbishments of hospital buildings in Budapest under Component 3 were completed by Dec. 31, 2022.

Quantitative Results

Results Area	Target	Actual
Number of designated hospitals/quarantine centers fully equipped with supplies for case management	95	95
Utilization rate of COVID-19 diagnostic equipment, test kits, and reagents financed by the project	100%	100%
Number of public hospitals that completed the planned upgrading through the support of the project	8	17

Qualitative Outcomes

53. The envisaged project results were fully achieved. The emergency procurements of critical supplies and equipment needed during the pandemic period were completed and distributed. Component 1 supported the immediate expenditures incurred for the management of COVID-19 patients and helped to protect high-risk groups as well as healthcare professionals through the enhanced provision of masks and protective gear, including personal protective equipment (masks, special protective clothing) and medical devices, enabling the handling of an increased number of patients requiring intensive care (i.e., vital sign monitors and oxygen therapy devices) and ancillary medical products (mostly disposable items for healthcare). Component 2 financed the emergency procurement of laboratory equipment, test kits, reagents, and other supplies to increase testing capacity per the national COVID-19 guidelines and regular case reporting for surveillance purposes, and helped Hungary increase and maintain a higher level of its laboratory and testing capacities for detection purposes to ensure the resilience of its health care system to handle a larger caseload during the COVID-19 pandemic.

54. The refurbishment of 17 hospitals in Budapest was completed (100%). The investments provided the hospitals with modern technology through the installation of efficient ventilation systems in operating rooms, the development of unified hospital access control systems and patient referral areas, and the renovation of hospital wards, waiting areas, and connecting social areas. Other upgrades included the replacement of surfaces (e.g., floors and walls) to allow for better disinfection, replacement of water pipes, and reorganization of patient flow to improve infection control measures. These are crucial features that will help the hospitals prepare for potential future waves of COVID-19 and improve the overall capacity of the patient care system in general and the ability of the system to respond to future pandemics.

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

55. Strong relations with client. Much of the success of this project was attributed to the strong relationship the team maintained with the client to help them understand MDB processes. This was especially important given this being a first-time project, the inability to travel, and lack of a cofinancer.

LESSONS AND INSIGHTS

56. Managing construction during the pandemic. Executing refurbishments in operational hospitals during COVID-19 required close coordination and staggered work plans to minimize disruption. Strong collaboration between KEF, contractors, and hospital management enabled successful implementation.

57. Ongoing investment needs. Despite significant improvements, further refurbishments are needed. However, future financing remains uncertain due to the closure of the CRF and the principles of AIIB's Strategy on Financing Operations in Non-Regional Members.

58. Borrower's limited MDB experience. Hungary's lack of recent MDB engagement required intensive guidance on AIIB procedures. Borrower feedback indicated that AIIB's due diligence and reporting standards exceeded those of European IFIs.

59. Value of independent monitoring. Contracting ECRI as the lender's monitor proved highly beneficial, ensuring technical adequacy, verifying equipment functionality, and providing recommendations to optimize hygiene and sustainability measures.

60. Centralized procurement system. The pandemic prompted Hungary's health authority to introduce an IT-based system for the centralized procurement and tracking of medical supplies, improving efficiency, cost control, and stock management.

61. Flexibility on financial covenants. AIIB's acceptance of permitted liens for derivative operations addressed borrower concerns over negative pledge clauses, offering a useful precedent for future engagements with sophisticated debt managers.

CHALLENGES

62. Balancing agility and flexibility. Strict policies and processes in procurement and other processes made it difficult to navigate under a sense of urgency to implement and deliver project objectives.

63. Lack of a clear emergency framework. At the time, there was a need for more detailed technical guidance for emergencies.

64. Hungary's limited experience borrowing from MDBs. This created additional challenges, as project teams needed to explain AIIB's processes and requirements as well as broader MDB procedures.

AIIB EVALUATION INTERVIEWS (SEP. 17, 2025)

65. As part of the CRF Thematic Evaluation, the evaluation team held extensive discussions with the AIIB project team.

66. The engagements confirmed that:

- As one of the first standalone CRF projects, it relied heavily on consultants for due diligence and procurement due to lack of local presence. Centralized procurement through ECRI contributed to effective design.
- The Government of Hungary responded positively, appreciated support, and valued strong communication despite travel restrictions and the lack of cofinanciers.
- At the time, no clear emergency framework existed; feedback highlighted the need for dedicated emergency instruments.

- CRF demonstrated flexibility and agility compared to other banks, aided by the label system.
- Strong client relationship was key for success, especially as Hungary had not borrowed from MDBs in a long time.
- The CRF opened the door for future projects in Hungary (transport, energy), though not in health due to client needs and bank expertise.
- The CRF experience reinforced the need for instruments like CBPF and RBF to be standard, not crisis exceptions.

EVALUATION ASSESSMENT

Relevance – Relevant

67. **The operation aligned with CRF objectives and supported the enhancement of the public health care system,** complementing other initiatives by development partners like the European Investment Bank and the Council of Europe Development Bank that were also focused on emergency relief.

Effectiveness – Effective

68. All project objectives were achieved, and clients were satisfied with the delivery of the project components.

Efficiency – Efficient

69. Approval time and deployment with proportionate supervision were achieved through the assistance of an outside contractor.

Sustainability – Most Likely Sustainable

70. Sustainability would be driven more by Hungary's policies and health sector progress than the loan itself.

Added Value

71. **AIIB's loan played a crucial role in addressing emergency needs.** The financing contributed to the advancement of health infrastructure and provided valuable knowledge to Hungarian counterparts about MDB-financed projects.

OVERALL ASSESSMENT AND CONCLUSION

72. **The Hungary – Emergency Assistance for Healthcare Expenditures Project was relevant and well aligned with CRF objectives.** The loan's financial management process, including smooth settlement in EUR and favorable pricing levels, proved beneficial for the borrower.

Project implementation and monitoring were sound, and the AIIB project team maintained strong relationships with the client. As a standalone project with a nonregional, high-income economy, the project was a strong demonstration of the Bank's commitment to serving its nonregional Members.

PAKISTAN – BUILDING RESILIENCE WITH COUNTERCYCLICAL EXPENDITURES (BRACE) PROGRAM

CONTEXT AND RATIONALE

73. **The pandemic brought on tremendous economic hardship to Pakistan as its economy experienced a negative economic growth rate, inflation, and a significant reduction in exports.** As a consequence of the economic crunch, the governance system of Pakistan faced structural challenges in tackling the worsening situation and was unable to promulgate an effective unified lockdown strategy.

74. **Pakistan's economy was already fragile before the COVID-19 pandemic, but the crisis pushed it to the brink of collapse due to its limited capacity to offer substantial bailout packages.** The GDP growth rate, which had been gradually improving, plummeted from 5.5% in 2018 to −0.4% in 2020, marking a rare instance of negative growth. Unemployment surged as three million people lost their jobs, raising the unemployment rate to 9.56%, while poverty levels increased dramatically, with 18 million more people falling below the poverty line. Trade was severely disrupted, with exports and imports both declining, worsening the trade deficit. Tax revenue targets were missed, and government spending rose, further straining public finances. Inflation spiked to 10.74%, and per capita income dropped from USD1,625 to USD1,325. Pakistan's growing debt burden, rising from USD95.2 billion to USD112.8 billion, coupled with currency devaluation, pushed the country deeper into a debt trap.

75. **In March 2020, Pakistan announced a PKR1.2 trillion economic bailout package aimed at supporting vulnerable populations and stabilizing the economy.** Key fiscal measures included eliminating import duties on health equipment, allocating PKR200 billion for daily wage workers, PKR150 billion for low-income families, and PKR100 billion each for export industry tax relief and SME support. Additional allocations covered wheat procurement, fuel and electricity subsidies, utility store support, emergency contingency funds, and equipment for the National Disaster Management Authority (NDMA). Provincial governments also introduced relief initiatives, such as Punjab's PKR18 billion tax relief and PKR10 billion cash grants and Sindh's PKR1.5 billion ration program. Despite its scale, critics noted that many components were repackaged from existing budget items. International institutions, including the World Bank, IMF, IDB, and ADB, provided financial assistance totaling over USD2.5 billion. However, Pakistan's fiscal year 2020 budget reflected negative growth, highlighting the pandemic's severe economic impact.

76. **Under these conditions, AIIB and ADB's cofinanced operation, the Pakistan – Building Resilience with Countercyclical Expenditures (BRACE) Program, sought to support the Government of Pakistan in mitigating the severe socioeconomic impacts of multiple crises,** including the war in Ukraine, the 2022 floods, and post-COVID-19 recovery challenges.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

77. With the support of ADB's cofinancing, BRACE sought to bolster Pakistan's resilience against exogenous shocks by financing a USD2.33 billion countercyclical development expenditure package (CDEP), including USD1.69 billion for social security, USD0.32 billion for food security, and USD0.32 billion for business support. The program aimed to enhance social protection, food security, and business support, targeting the poor and vulnerable, particularly women and girls, amid a macroeconomic crisis marked by inflation, currency depreciation, and GDP growth slowdown. Key measures included unconditional cash transfers, subsidies for food and utilities, and employment schemes, aligned with the IMF's Extended Fund Facility objectives for fiscal stability and inclusive growth.

Institutional Arrangements

78. AIIB classified the project under the economic resilience/policy-based financing sector, with a C rating for Environmental and Social. The program was cofinanced, with ADB as the lead cofinancier. To ensure a harmonized approach to address the E&S aspects of the program, as permitted by AIIB's ESP, ADB's Safeguards Policy Statement (SPS) was applied to the program in lieu of AIIB's ESP. The Bank reviewed ADB's SPS and was satisfied that ADB's SPS is consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's ESP; and the monitoring procedures that are in place are appropriate for the proposed program.

79. Based on the E&S assessments carried out according to ADB's SPS requirements, ADB categorized this program as Category C for Environment, Involuntary Resettlement, and Indigenous Peoples (equivalent to Category C if AIIB ESP were applicable). The primary beneficiaries of the program were vulnerable groups and the urban poor. The program was proposed by ADB to be categorized as "effective gender mainstreaming" and included a gender monitoring matrix to monitor the implementation of specific gender empowerment measures.

80. The Ministry of Finance (MOF) served as the executing agency. The implementing agencies were the MOF, Benazir Income Support Program (BISP), the Ministry of Industries and Production, the Ministry of National Food Security and Research, and the State Bank of Pakistan. National experts funded by existing technical assistance supported the MOF to ensure timely government reporting on program delivery. A monitoring and reporting framework, agreed upon by the government and ADB, was implemented to ensure regular reporting on CDEP implementation, prioritize countercyclical expenditures, and coordinate activities between the government and development partners, while maintaining an ongoing dialogue on structural reforms.

RESULTS AND ACHIEVEMENTS

81. The loan was signed on Nov. 10, 2022, and became effective on Nov. 21, 2022. The AIIB loan of USD500 million was fully disbursed on Nov. 28, 2022.

82. By June 2023, 95% of the budgeted CDEP (PKR485.4 billion out of PKR510.8 billion) was utilized, achieving 97.9% progress in social security, 90.5% in food security, and 84.3% in business support. Notable achievements included cash transfers to 8.977 million woman-headed households (15.1% increase over the initial value), subsidies for utility stores (PKR33.17 billion), and significant business loan disbursements (PKR108 billion). Gender equality was prioritized, with effective mainstreaming through targeted support for women. BRACE effectively mitigated crisis impacts, distributing PKR69.222 billion to PKR2.769 million flood-affected families and sustaining social protection programs. Inflation, initially at 12.6% in June 2024, declined to 6.9% by September 2024, aligning with the State Bank of Pakistan's 5-7% target by FY2026. GDP growth is projected to reach 4.5% by FY2027. The program's design and monitoring framework ensured relevance, achieving most targets despite challenges like delays in scholarship enrollment due to floods.

83. ADB rated the overall project as successful with effective gender mainstreaming as it supported a significant number of woman and child beneficiaries. The subratings included Relevant and Effective.

Quantitative Results

Results Area	Target	Actual	Assessment
Women heads of poor families receiving unconditional cash transfers	1 million	9.6 million	Achieved
Districts receiving conditional cash transfers for health and nutrition for pregnant and lactating mothers and children under two years of age	159	124	Substantially achieved; reached 78% of the target
Loans under the government's employment and entrepreneurship schemes to companies (at least 15% led by women)	PKR45 billion	PKR108 billion	Significantly achieved; exceeded initial target of PKR45 billion
Additional students receiving BISP undergraduate scholarships of which at least 50% are women	10,000	0	Not achieved

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

84. Women and vulnerable group targeting. AIIB's contribution to the program's gender and vulnerable group targeting reinforced the potential of social dimensions impact through policy-based lending.

LESSONS AND INSIGHTS

85. Focus on institutional reforms to strengthen macrofiscal management, ensuring that provincial governments are key stakeholders in the process.

86. Complement policy operations with targeted technical assistance and project support to enhance implementation effectiveness.

87. Coordinate and calibrate the pace and substance of the reform program with the IMF and other development finance institutions.

88. Maintain regular information exchange with government teams and partners to support effective data collection, validation, and verification.

CHALLENGES

89. Policy-based lending guidance. AIIB has issued guidance for CPBF, its standalone policy-based instrument. For cofinanced policy-based operations, AIIB appropriately applies the policies of partner MDBs, consistent with the cofinancing framework. Going forward, should AIIB expand standalone policy-based lending beyond CPBF, the development of broader PBL guidance would support consistent implementation.

90. Provincial capacity was lower than expected. Provincial capacity was weaker than expected and should have been more carefully considered during due diligence. The counterpart would have benefited greatly from technical assistance.

AIIB EVALUATION INTERVIEWS (SEP. 15, 2025)

91. As part of the CRF Thematic Evaluation, the evaluation team held extensive discussions with the AIIB project team.

92. The engagements confirmed that:

- **The program provided critical and timely budget support during Pakistan's limited market access,** disbursing 95% of funds by mid-2023 and channeling resources toward essential priorities such as cash transfers, food price stabilization, and agricultural recovery.
- **Design and implementation were highly efficient,** with disbursement achieved in under three weeks from Board approval, enabled by strong coordination with the IMF and ADB, reliance on existing institutional frameworks, and a shared priority for rapid emergency response.
- **Effectiveness was strong,** with social protection coverage significantly expanded, nine million woman-headed households receiving cash transfers, and 10,000 scholarships awarded (at least half to women). Food security, fertilizer, and business support targets

were achieved or exceeded, though health and nutrition components reached 85% due to capacity constraints.

- **Flexibility and adaptability were key strengths,** as the project quickly repurposed part of the subsidy for flood relief and adjusted implementation to evolving needs. However, provincial capacity weaknesses limited performance in some areas, underscoring the need for technical assistance and deeper local engagement in future programs.
- **Sustainability of results remains promising but dependent on continued fiscal reforms and close collaboration with the IMF and other MDBs** to maintain macroeconomic stability and institutional strengthening.

EVALUATION ASSESSMENT

Relevance – Relevant

93. **The operation, aligned with CRF objectives,** addressed the Pakistan's urgent economic and social needs during a period of compounded crises.

Effectiveness – Effective

94. **The program facilitated immediate fiscal interventions that expanded social protection systems, strengthened food security programs, and supported livelihoods.** It complemented broader macroeconomic stabilization efforts, as reflected in GDP growth recovery to 2.4% in FY2024 and improvements in inflation and fiscal stability, according to the IMF.

Efficiency - Efficient

95. **The project planning and implementation was efficient.** The approval date and effective date was less than two weeks apart. There were no delays in disbursement, and the disbursement ratio was 100%.

Sustainability – Likely Sustainable

96. **Sustainability depends on the continued efforts of the IMF and other MDBs as well as fiscal reform.** The ADB completion note adds that the program's sustainability aligns with ADB's guidance on policy-based loans, emphasizing the continuation of net benefits through political commitment, stakeholder support, and institutional capacity.

Added Value

97. **AIIB demonstrated significant additionality in support of gender and vulnerable groups,** reinforcing the program's broader development impact.

OVERALL ASSESSMENT AND CONCLUSION

98. The Pakistan BRACE Program was relevant and well aligned with CRF objectives, particularly in supporting vulnerable groups and women during ongoing economic recovery and amidst other exogenous shocks to the economy. The program also posed a critical opportunity for AIIB to engage with policy-based lending and build its expertise. It also opened the door for AIIB to engage more with Pakistan though CPBF or other instruments in the future. This was another successful example of AIIB demonstrating flexibility in times of crisis to help deliver project results.

VIET NAM – VP BANK COVID-19 RESPONSE FACILITY

CONTEXT AND RATIONALE

99. Viet Nam entered the COVID-19 pandemic with strong pre-crisis fundamentals, being among the fastest growing economies in Asia, with robust manufacturing, expanding consumer markets, and stable macroeconomic management. Yet the early months of 2020 brought an unprecedented shock: GDP growth fell to 3.8% (the lowest in over a decade), business closures exceeded new registrations for the first time in decades, and tourism and logistics collapsed.

100. SMEs, which comprise 98% of all firms and employ close to half of the workforce, faced acute liquidity pressure as revenues fell and supply-chain disruptions intensified. Across the banking sector, credit growth slowed to 0.7%, the weakest since 2015, and the State Bank of Vietnam estimated that nearly USD86 billion (≈23% of system loans) were affected.

101. Government measures – interest-rate cuts, loan-restructuring without reclassification, fee and tax deferrals, social-insurance relief, and a large public investment program – helped contain the immediate fallout, but private banks still faced significant liquidity and asset-quality pressures.

102. VPBank, a privately owned top-10 bank with a large SME and retail footprint, confronted weakening repayment capacity among export- and service-oriented clients. While VPBank remained profitable and well capitalized, its liquidity buffer tightened and its reliance on market funding increased. Against this backdrop, AIIB's CRF offered timely countercyclical support.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

103. Approved in July 2020, the USD100 million NSBF loan to VPBank was AIIB's first operation in Viet Nam and the Bank's first FI transaction in Southeast Asia.

104. Key features included:

- One-year bullet tenor, extended for an additional year at VPBank's request
- Full disbursement upfront (November 2020)
- Short-term working-capital and trade-finance subloans to private enterprises
- Eligibility focused on SMEs, with 65% SME share expected (100% achieved)
- Application of IFC's ESMS and E&S categorization (FI-2) in lieu of AIIB ESP

105. Objectives were simple, timebound, and liquidity-focused:

- Reduce working-capital shortages during the acute COVID shock;
- Sustain SME lending and trade-finance flows;
- Stabilize VPBank's liquidity position.

106. The design did not explicitly require verification of COVID-related impact at the sub-borrower level – a common feature of CRF credit lines and a factor noted as a design limitation. This reflected the CRF's emphasis on speed and simplified processing endorsed in the 2020 CRF design documents; however, it constrained the Bank's ability to attribute results specifically to pandemic response.

Institutional Arrangements

107. The facility was cofinanced with IFC, leveraging IFC's long-standing relationship with VPBank and executed under the IFC Common Terms Agreement (CTA), which reduced transaction costs, harmonized standards, and allowed rapid implementation.

RESULTS AND ACHIEVEMENTS

108. The program achieved or exceeded its quantitative indicators and was fully disbursed on schedule.

109. Although not an AIIB indicator, VPBank tracked sex-disaggregated data as part of the IFC Women Entrepreneurs Opportunity Facility: 26% sub-borrowers in 2021 were women-owned/led enterprises. This reporting capacity – built through years of IFC partnership – became a foundational asset for subsequent AIIB lending.

Quantitative Results

Results Area	Baseline (2021)	Endline (2022)	Impact/Commentary
Utilization rate of the facility	100%	100%	
Number of eligible sub-borrowers reached	150	129	Reported achieved with revolving borrowing
Percentage of targeted entities (SMEs)	65%	100%	All sub-borrowers were SMEs
Nonperforming loans (NPLs) at the portfolio level	<5%	<5%	

Qualitative Outcomes

110. VPBank was fully compliant with financial and reporting covenants, except for temporary waivers on an Open Credit Exposure Ratio linked to COVID-19 forbearance measures, consistent with broader system-wide asset-quality deterioration.

111. The short-term nature of the facility was well suited to the crisis context and gave AIIB a structured opportunity to reassess VPBank's credit and operational performance prior to extension.

112. Although the project's short tenor limited medium-term outcomes, IFC's IEG evaluation indicated that SME liquidity constraints would have been substantially more severe without similar multilateral support.

113. The AIIB project feature article further underscored VPBank's role in supporting SMEs during the pandemic through digital delivery models and specialized SME support programs. It noted that the AIIB-IFC joint financing enabled VPBank to maintain liquidity for more than 100 SME customers in sectors affected by supply-chain disruptions and demand contraction, emphasizing the operation's role in preserving business continuity.

114. E&S compliance was Satisfactory. VPBank's ESMS, strengthened over years of IFC partnership, met expected standards. AIIB verified:

- Proper screening of all subloans
- No high-risk (Category A) activities financed
- Timely and complete E&S reporting
- Functioning External Communication Mechanism (ECM) / Grievance Redress Mechanism (GRM) with no project-related grievances

115. The project also highlighted the challenge of AIIB's Project-affected People's Mechanism (PPM) proportionality for small-ticket, crisis-response FI operations – a theme echoed across other CRF credit line projects.

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

116. The IFC partnership was central. IFC's due diligence, CTAs, and longstanding ESMS engagement materially reduced execution time and risk for AIIB.

117. VPBank valued AIIB's speed and professionalism, particularly during COVID-19 market stress, when foreign-bank liquidity was limited.

118. The project was not concessional; pricing was market-based, despite crisis context and IFC alignment.

119. Strong digital infrastructure enabled VPBank's operational effectiveness and due diligence, also likely speedy deployment of liquidity efficiently during lockdowns.

120. AIIB's CRF engagement was pivotal in establishing trust, leading directly to a second facility in 2024 (USD150 million) for sustainable infrastructure finance, closer to AIIB's core mandate.

LESSONS AND INSIGHTS

121. IFC experience enabled rapid operationalization. VPBank's well-established ESMS, sex-disaggregated reporting, and CTA participation significantly reduced AIIB's transaction costs and safeguarded quality.

122. Short-tenor FI crisis lines can be highly effective when liquidity is the main constraint, providing rapid bridge financing and preserving trade-finance flows.

123. Scalable PPM/GRM systems need tailoring for small FI-based working-capital operations, where typical PPM modalities are difficult to operationalize.

124. The CRF served as a strategic entry point. AIIB leveraged the relationship into a follow-on operation aligned with infrastructure and climate priorities.

125. Cofinancing with IFC expanded AIIB's presence in a market where sovereign borrowing remained limited and private-sector relationships were more accessible.

CHALLENGES

126. COVID-19-impact attribution. Sub-borrowers were not required to show direct COVID-19 impact, limiting the ability to demonstrate counterfactual effects.

127. Very short tenor. Useful for crisis response but provided little time to observe medium-term outcomes.

128. Limited E&S leverage. Small, short-tenor subloans inherently limit the depth of E&S supervision.

129. Reporting ambiguities. Early confusion over result-indicator definitions required clarification.

130. Covenant waivers. Temporary waivers reflected system-wide restructuring but underscored the challenge of applying standard covenants during crises.

AIIB EVALUATION INTERVIEWS (SEPTEMBER 2025)

131. Interviews with the AIIB project team highlighted that:

- **The VPBank facility served as a pivotal entry point** for the Bank into Viet Nam's financial sector.
- AIIB's normal infrastructure-focused mandate offered limited avenues to engage with banks in Viet Nam, **but the CRF's temporary flexibility enabled the Bank to respond rapidly** to an acute liquidity shock affecting SMEs.

- **The IFC CTA and VPBank's longstanding relationship with IFC materially reduced preparation time,** improved alignment on E&S systems, and facilitated accelerated disbursement.
- **The operation strengthened trust with VPBank,** demonstrated AIIB's ability to respond quickly under crisis conditions, and directly paved the way for a second, sustainable-infrastructure-focused facility approved in 2024.

EVALUATION ASSESSMENT

Relevance – Highly Relevant

132. Addressed acute liquidity shortages during a critical period and supported a systemically important SME lender.

Effectiveness – Effective

133. Liquidity was deployed quickly, all funds were utilized, and the SME share reached 100%. Subloans helped stabilize business continuity and trade-finance flows. Lack of COVID-19-specific attribution and outcome indicators limits verification depth.

Efficiency – Highly Efficient

134. CTA alignment, VPBank's strong systems, and the short tenor enabled excellent processing efficiency and low transaction burden.

Sustainability – Likely Sustainable

135. The short tenor limited longer term effects, but the institutional relationship proved durable, catalyzing a second facility better aligned with AIIB's climate/infrastructure mandate.

AIIB Added Value

136. AIIB's involvement expanded VPBank's international partnerships and created a platform for continued engagement.

OVERALL ASSESSMENT AND CONCLUSION

137. The VPBank COVID-19 Response Facility was highly relevant and effective as an early CRF operation. It provided timely liquidity in a fast deteriorating environment, safeguarded SME lending, and was implemented with exemplary discipline, supported by VPBank's strong ESMS and IFC's extensive prior engagement.

138. While the short tenor limited long-term development impact assessment, the project fully achieved its immediate liquidity objectives and produced institutional benefits for AIIB:

entry into a new market, strengthened cofinancing partnerships, and groundwork for future climate and infrastructure lending. The operation stands as a successful demonstration of AIIB's ability to respond rapidly through capable FIs, leveraging partnerships to deliver crisis liquidity with high fiduciary and E&S integrity.

CAMBODIA – PRASAC COVID-19 RESPONSE FACILITY

CONTEXT AND RATIONALE

139. Cambodia experienced over two decades of strong economic growth prior to the pandemic, driven by the garments, tourism, and construction sectors and rising financial inclusion. However, the COVID-19 shock in 2020 abruptly reversed this trajectory. GDP contracted by 3.1%, tourism collapsed, and MSMEs – comprising 99% of firms and 70% of employment – faced severe liquidity shortages.

140. Microfinance institutions (MFIs), which play an outsized role in Cambodia's financial system, saw credit growth fall to under 2% from more than 30% pre-crisis, and portfolio-at-risk rose sharply. Government restructuring measures and liquidity support from the National Bank of Cambodia helped stabilize the sector, but recovery remained uneven.

141. Under these conditions, AIIB's CRF sought to stabilize MSME credit flows and prevent a deeper contraction in livelihoods. PRASAC, then Cambodia's largest microfinance deposit-taking institution with nationwide reach, offered an efficient channel to extend working-capital finance to micro and small enterprises at scale. Despite pandemic-related pressures, it remained profitable and well capitalized, supported by its 2024 full acquisition by KB Kookmin Bank – the largest commercial bank in Korea, which strengthened governance and liquidity buffers.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

142. Under the CRF, AIIB approved a USD75 million liquidity line to PRASAC in April 2022, structured as three USD25 million tranches over a 3.5-year tenor. The objective was to increase access to finance for MSMEs affected by COVID-19, with a strong focus on women-owned enterprises (≥90% of subloans) and microenterprises (≥80%). Subloans financed general working capital and short-term operational needs.

143. The operation was designed to:

- Sustain MSME credit flows during a liquidity shock
- Protect women-owned enterprises disproportionately affected by income loss
- Support economic activity and household resilience

Institutional Arrangements

144. More than 14,000 villages and all provinces were within PRASAC's service footprint, making it well positioned to deploy liquidity quickly into rural and informal segments.

145. AIIB classified the project as FI (medium risk) under its ESP and applied proportionate due diligence. Following civil society organization (CSO) or nongovernmental organization (NGO) allegations of predatory lending in Cambodia's microfinance sector – raised shortly after Board approval – AIIB incorporated a Responsible Lending Action Plan (RLAP) into the loan agreement. The RLAP required a zero-tolerance statement for abusive practices, staff training, public disclosure, and GRM enhancements. These measures became central to supervision and were repeatedly verified through missions and reporting.

146. AIIB also introduced a gender-targeting requirement, tracking the proportion of loans to women-owned MSMEs, and required regular reporting on repayment performance, portfolio quality, and crisis-response actions.

147. Two sovereign-backed projects under the CRF enjoyed support from the SFW, making Cambodia the largest benefactor of the SFW with USD15 million of interest-rate buydown. The PRASAC project was not one of those.

RESULTS AND ACHIEVEMENTS

148. The loan was signed in April 2023, with the first tranche disbursed in June 2023. Amid improving liquidity and evolving market conditions, PRASAC chose not to draw the remaining tranches and later initiated voluntary full prepayment of the outstanding balance in April 2025.

149. The project could not meet the absolute target of 5,100 MSMEs, which assumed full utilization of all three tranches. Nonetheless, performance against all relative indicators was met or exceeded, demonstrating that the drawn funds were deployed exactly as intended.

Quantitative Results

Results Area	Target (2027)	Endline (2025)	Impact/Commentary
Number of Cambodian MSMEs supported by the project	5,100	1,467	Supported nationwide microenterprise liquidity
Percentage of loans provided to women-owned businesses or enterprises	90%	90.9%	Strong alignment with Cambodia's gender profile in microfinance
Percentage of loans provided to microenterprises	80%	96.3%	Average loan size of USD17,000
Nonperforming loans at KB PRASAC level.	<2.1%	5.5%	Reflecting macroeconomic hardships persist

Qualitative Outcomes

150. At the institution level, however, PRASAC's PAR30 and Open Credit Exposure Ratio (OCER) deteriorated significantly during 2023-24 due to prolonged economic slowdown and exposure to sectors affected by global trade trends. Temporary covenant waivers expired in late 2024, and PRASAC remained out of compliance, though capital and liquidity buffers stayed strong. These trends influenced PRASAC's decision to deleverage and repay external borrowings, including AIIB's.

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

151. Women-owned MSME targeting. AIIB's explicit gender focus reinforced internal monitoring and transparency in a sector dominated by women facing borrowing challenges.

152. Crisis-flexible FI design. The revolving structure and working-capital focus proved suitable for microenterprise support.

153. E&S discipline in microfinance. PRASAC strengthened its ESMS documentation and reporting, helping align MFI practices with MDB requirements.

154. Borrower-protection enhancements. PRASAC reinforced grievance channels and borrower communication during moratorium periods, which was particularly important considering CSO allegations of predatory lending in the market.

LESSONS AND INSIGHTS

155. Relative indicators outperform absolute ones in demand-driven FI operations with uncertain utilization profiles but may not show the whole picture.

156. Responsible lending safeguards (e.g., RLAP) are essential when operating in microfinance markets with elevated reputational risks.

157. CRF created strategic entry into Cambodia's financial sector, enabling AIIB to develop relationships that may inform future operations beyond crisis response.

158. Timing is critical. Crisis facilities are most effective when deployed early; late-cycle support risks lower relevance and reduced drawdown.

159. Financial-sector operations require flexibility. MSME liquidity needs can change rapidly due to parent-bank integration, funding shifts, and macro volatility.

160. Covenant design should account for post-shock deterioration. In crisis lending, recovery paths may be slower than expected, and risk-based covenant calibration may need adjustment.

161. Targeting accelerates impact. Gender and MSME-specific indicators improved accountability and allowed clearer assessment of crisis-response effectiveness.

162. PPM scaling. With AIIB's support of microenterprises during unusual crisis periods, regular PPM policies may require right size for specific MSME scale and operations.

CHALLENGES

163. Late timing. First disbursement occurred in mid-2023, well after acute pandemic liquidity pressures had eased.

164. Under-disbursement and early repayment. Only one tranche was used, and the remainder was cancelled. This undermined achievement of outreach targets and reduced development impact.

165. Covenant noncompliance. PAR30 and OCER indicators slipped beyond thresholds due to rising restructured exposures.

166. CSO scrutiny. Cambodia's microfinance sector faced reputational issues around over-indebtedness, requiring enhanced due diligence and reputational risk management.

167. Outcome measurement. Broader crisis-response effects (jobs preserved, income stabilization) were not systematically tracked.

AIIB EVALUATION INTERVIEWS (SEP. 25, 2025)

168. As part of the CRF Thematic Evaluation, the evaluation team held extensive discussions with the AIIB project team.

169. The engagements confirmed that:

- Liquidity was vital in 2020-21 as wholesale funding tightened.
- Women borrowers were the most affected client segment and benefited most from continued credit access.
- AIIB's flexibility and responsiveness were appreciated, including adjustments to reporting rhythm and E&S guidance.
- PRASAC leveraged AIIB's requirements to strengthen borrower-protection protocols, including grievance mechanisms and COVID-responsive communication practices.
- E&S oversight and PPM need to be calibrated to the context and project risk as AIIB is entering MSME financing territory.

EVALUATION ASSESSMENT

Relevance – Highly Relevant

170. The operation aligned with CRF objectives, addressed acute MSME liquidity needs, and targeted a sector central to Cambodia's livelihoods and employment.

Effectiveness – Less than Effective

171. This is due to partial disbursements, absolute targets not being achieved, and higher-level outcome indicators being included but not systematically tracked. However, the facility meaningfully supported women and rural MSMEs and helped stabilize MFI liquidity.

Efficiency – Efficient

172. Lean documentation, rapid approval, and strong client capacity enabled fast deployment with proportionate supervision.

Sustainability – Likely Sustainable

173. Portfolio quality and macroeconomic conditions remained under stress, and Cambodia's microfinance sector faces structural risks in household over-indebtedness and climate-sensitive livelihoods. However, lower and controlled E&S risks in microenterprise lending and strong shareholding structure supports sustainability prospects beyond AIIB facility repayment.

Added Value

174. AIIB provided countercyclical liquidity, strengthened ESMS capacity, and encouraged gender-accountable reporting, contributing beyond financing alone.

OVERALL ASSESSMENT AND CONCLUSION

175. The PRASAC COVID-19 Crisis Response Facility was relevant and well aligned with CRF objectives, supporting vulnerable microentrepreneurs, particularly women, during ongoing economic recovery. Implementation of the drawn tranche was strong, with all relative performance indicators achieved or exceeded. E&S and responsible-lending commitments were fulfilled, and the project helped strengthen transparency and consumer-protection practices.

176. However, the project's late timing, partial utilization, and early repayment substantially limited overall development impact and prevented the achievement of absolute outreach targets. Deteriorating credit conditions and shifts in PRASAC's funding strategy shaped these outcomes. Despite these limitations, the operation provided meaningful short-term liquidity, deepened AIIB's understanding of Cambodia's financial landscape, and yielded important institutional lessons for future FI crisis-response operations.

TÜRKIYE – EXIMBANK COVID-19 CREDIT LINE PROJECT

CONTEXT AND RATIONALE

177. Türkiye entered the COVID-19 pandemic amid pre-existing macroeconomic fragilities following the 2018-19 currency crisis. Inflation and external imbalances had eroded fiscal buffers, while the banking system – accounting for over 70% of financial intermediation – faced rising nonperforming loans and currency mismatches.

178. The pandemic shock disrupted supply chains, tourism, and manufacturing exports, initially contracting export volumes by about 40% in early 2020. A rapid monetary and fiscal stimulus amounting to about 13% of GDP helped avert a recession, with GDP expanding by 1.8% in 2020, but left the economy exposed to renewed external financing pressures.

179. Exports, representing roughly one-quarter of GDP, remained a key source of resilience. However, exporters faced liquidity shortages as global demand contracted and credit conditions tightened. In this context, AIIB's COVID-19 CRF support sought to preserve productive capacity, employment, and foreign exchange earnings in a sector critical for recovery.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

180. The Eximbank COVID-19 Credit Line Project provided a sovereign-backed credit line of USD250 million to Türk Eximbank, Türkiye's official export credit agency, to extend short-term working-capital loans to private exporters affected by the pandemic. Subloans, with a maximum tenor of three years, aimed to alleviate liquidity constraints and preserve employment in export-oriented firms.

Institutional Arrangements

181. The facility built directly on AIIB's earlier USD500 million credit lines to the development banks Türkiye Sinai Kalkinma Bankasi (TSKB) and Türkiye Kalkınma ve Yatırım Bankası (TKYB), replicating the streamlined structure and E&S framework adapted for financial intermediaries under CRF. Disbursement occurred in a single advance tranche in July 2021, with full utilization achieved by October 2022. The project's maturity was 4.5 years, with a bullet repayment due in November 2025.

182. AIIB relied on Eximbank's Sustainability Management System (SMS), built on a solid previous experience with IFIs, especially the World Bank Group – which was found materially consistent with the Bank's ESP – and required establishment of a project-specific External Communication Mechanism (ECM). Minimum gender targets mandated that at least 5% of total lending support women-inclusive enterprises.

RESULTS AND ACHIEVEMENTS

183. The project achieved or exceeded all systematically tracked targets under its Results Monitoring Framework. However, not all initially envisaged objective indicators were monitored throughout the project.

Quantitative Results

Results Area	Target (2022)	Endline (2022)	Impact/Commentary
Number of sub-borrowers	35	83	
Percent value of loans provided to women inclusive enterprises	5%	20%	Four times overachieved, although with low target
Nonperforming loans in the subportfolio	<4%	0	Eximbank exhibited resilient financial performance overall
Utilization rate of the credit line provided by AIIB	100%	100%	Achieved 15 months following AIIB disbursement

Qualitative Outcomes

184. Sub-borrowers were predominantly in manufacturing, transport, and telecommunications, sectors aligned with AIIB's operational priorities. Interviews with Eximbank and sub-borrowers confirmed that financing enabled exporters to maintain operations and retain employment during a period of market contraction. For example, Hassan Tekstil, an SME automotive supplier, used its subloan to sustain payroll and invest in R&D to diversify into new product niches, preserving skilled employment through the downturn.

185. The project sub-borrowers by AIIB CRF target groups:

- Group 1: Strong relationship with AIIB's key strategic sectors (energy, transport, water, sustainable infrastructure, healthcare, ICT) – 5.6%
- Group 2: Generally other productive sectors and activities – 66.6%
- Group 3: Less strong link towards AIIB priorities, but not an excluded sector – 27.8%

186. The Eximbank portfolio remained fully performing, reflecting both the borrower's conservative credit standards – requiring 100% collateralization through commercial bank guarantees – and the export-linked cash flow structure of clients. The credit line thus directly contributed to export-sector resilience and liquidity stabilization at a critical juncture.

187. The operation was processed and disbursed swiftly and without amendment beyond a minor closing-date extension. Eximbank commended AIIB's responsiveness and flexibility, noting that the CRF structure allowed "superior terms to anything available in the domestic market" and proved instrumental in supporting exporters when capital markets were closed.

188. **The project also deepened AIIB's institutional relationship with the Turkish Treasury and paved the way for subsequent operations,** including the Türkiye Eximbank Green Infrastructure and Earthquake Response Project (2023), AIIB's first partial-guarantee transaction globally.

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

189. **The project's E&S risk was rated Medium.** No Category A subloans were financed, and no grievances were recorded. Eximbank applied its SMS and exclusion list rigorously, supported by AIIB's supervision and post-review of sub-loans.

190. **The project also served as a capacity-building milestone:** Eximbank expanded its ESG department from 2 to 11 staff since 2020.

191. **Eximbank institutionalized gender-tracking within its reporting systems** – an area where AIIB's guidance proved catalytic.

LESSONS AND INSIGHTS

192. **Speed with discipline.** The CRF enabled rapid liquidity support while maintaining E&S rigor. The use of a single advance disbursement reduced processing time but required close monitoring to ensure compliance.

193. **Institutional learning.** The operation transferred critical know-how to Eximbank in E&S management and reporting, building internal systems later applied to green and disaster-response facilities.

194. **Value addition beyond financing.** AIIB's engagement likely enhanced Eximbank's credibility with other IFIs and strengthened its export-finance instruments.

195. **Gender mainstreaming.** Explicit numerical targets ensured visibility and accountability, offering a model for future FI lines.

196. **Sustainability.** Zero NPLs and strong demand indicate the portfolio's resilience, though macroeconomic vulnerabilities and lira depreciation continue to pose systemic risks.

CHALLENGES

197. **Data gaps for higher-order outcomes.** While utilization, NPLs, and gender shares were tracked, employment retention and incremental exports were not systematically tracked; several PDO-adjacent indicators (jobs, export volumes) remained partly unreported.

198. Reporting cadence and revolving use. Financial and E&S reporting cycles were not fully synchronized.

199. Execution speed trade-offs. A single advance disbursement enabled rapid liquidity, but on-lending ramp-up took longer than envisaged early on, requiring a short closing-date extension to reach 100% utilization.

AIIB EVALUATION MISSION (OCT. 14, 2025)

200. As part of the CRF Thematic Evaluation, an AIIB mission visited Istanbul, meeting with the Türk Eximbank and a representative subproject Hassan Tekstil.

201. The mission confirmed the following:

- **Crisis timing and need.** Domestic banks were cautious despite high margins; exporters required working capital to bridge orders and retain skilled labor.
- **Instrument suitability.** AIIB's terms and speed were superior to market alternatives at the time; the 3-year subloan tenor and 4.5-year facility life matched cash-cycle needs.
- **Operational impact**. Firms sustained payrolls and continued R&D/product diversification; Eximbank cited employment preservation and additional hiring during recovery (demand outstripped available funds).
- **Process frictions.** As experience accumulated, stakeholders noted the value of aligning E&S and FM reporting "on the same rhythm" and clarifying revolving-funds treatment earlier.

EVALUATION ASSESSMENT

Relevance – Highly Relevant

202. The operation targeted a critical node of recovery – exporters representing nearly a quarter of GDP – facing acute working-capital constraints. The design fit CRF parameters and country circumstances, complemented earlier CRF credit lines to TSKB/TKYB, and aligned with AIIB's Operational Policy on Financing (OPF)/financial intermediation approach.

Effectiveness – Highly Effective

203. Core targets were exceeded: 83 sub-borrowers (target 35), 20% to women-inclusive enterprises (target 5%), 100% utilization, and 0% NPLs at closing. However, there are some gaps in tracking higher level outcomes.

Efficiency – Efficient

204. One-shot advance disbursement, standard SBF terms, and a tested FI model enabled fast deployment with proportionate supervision.

Sustainability – Likely Sustainable

205. Portfolio quality and exporter foreign exchange earnings support durability; macrofinancial risks and policy uncertainty remain exogenous headwinds. No Category A subloans: exclusion list and SMS applied; no grievances.

Added Value

206. AIIB brought distinct institutional value beyond financial support. Its engagement resulted in the following:

- **Speed and standards.** AIIB delivered rapid countercyclical liquidity through a capable export credit agencies (ECA) while maintaining MDB-grade fiduciary and E&S requirements, demonstrating the CRF's ability to balance urgency and rigor.
- **Gender accountability.** A clear, numeric women-inclusive lending target (exceeded at 20%) created visibility and sharpened internal accountability – an approach that is now mainstreamed.
- **Institutional strengthening.** The operation strengthened Eximbank's ESG architecture (SMS practice, GRM, routine E&S reporting) and built comfort with MDB compliance, lowering transaction costs for subsequent engagements.
- **Partnership building.** The operation supported closer collaboration with Eximbank and Turkish Treasury, followed by another emergency preparedness facility with the client.

OVERALL ASSESSMENT AND CONCLUSION

207. The Türkiye Eximbank Credit Line was a successful operation under AIIB's CRF. It delivered rapid liquidity to exporters at a critical moment, helping sustain production, jobs, and confidence in one of Türkiye's most vital economic sectors.

208. Implementation was swift, disciplined, and fully achieved most of its objectives, with strong portfolio quality and effective collaboration between AIIB and Eximbank. The project also strengthened institutional capacity in ESG and gender inclusion, setting a benchmark for future AIIB engagements in Türkiye.

209. Overall, the project stands as an example of AIIB's ability to respond quickly, work through strong national partners, and deliver measurable impact with integrity and professionalism.

BANGLADESH – COVID-19 ACTIVE RESPONSE AND EXPENDITURE SUPPORT PROGRAM (CARES)

CONTEXT AND RATIONALE

210. The COVID-19 pandemic significantly disrupted Bangladesh's economy, reducing GDP growth from 8.15% in FY2018-19 to 5.24% in FY2019-20 as both supply and demand shocks hit key sectors. The manufacturing and service industries were particularly affected due to global supply-chain disruptions, export declines, and widespread job losses of over one million in services alone, while agriculture remained relatively resilient. The readymade-garment sector, a main export earner, suffered major order cancellations. Remittance inflows served as an important stabilizer. Rising unemployment and income losses, especially among informal workers, women, and youth, pushed many households back into poverty and widened inequality. Weakened revenue collection strained public finances, prompting the government to introduce stimulus and liquidity support packages.

211. In response, on March 8, 2020, the Government of Bangladesh launched the National Preparedness and Response Plan to address the pandemic. This comprehensive strategy aimed to strengthen the public health system, expand social safety nets, and introduce economic stimulus measures. The response focused on seven priority areas: planning and coordination; enhancing surveillance, laboratory diagnostics, and entry-point screening; case detection, contact tracing, and quarantine; clinical case management; infection prevention and control; risk communication and public awareness; and operational research. The government also introduced countercyclical fiscal measures, with a response package totaling USD11.2 billion in 2020.

212. AIIB's CRF aimed to support the government's economic stimulus packages to mitigate the adverse social and economic impact of the COVID-19 pandemic.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

213. This operation was cofinanced with ADB and was an early-period use of the CRF. It was the first of six operations in the AIIB CRF portfolio for Bangladesh.

214. AIIB approved a USD250 million loan in May 2020, with the first disbursement occurring on June 23, 2020. The loan was provided on a single tranche to Bangladesh, and the implementing agency was the Ministry of Finance. The program was cofinanced with ADB and supported by other development partners, including the Japan International Cooperation Agency and the OPEC Fund for International Development.

215. With the primary aim of supplementing the government's economic stimulus packages through budget support, the program had two major objectives. The first was to support the worst-hit industries, including the export-oriented sectors and SMEs. The second was to expand

and strengthen Bangladesh's social safety net for vulnerable groups, including low-income populations, women, and children. The key outputs of the program were protected employment opportunities and an expanded social safety net for vulnerable groups.

Institutional Arrangements

216. The program's estimated cost fully matched the actual costs, as a fast disbursement on a single tranche was provided to the government on June 23, 2020. The program was implemented timely and effectively. The budget expenditures were executed on time per the government's timeline, facilitating prompt delivery of financial and social services and meeting the target outputs. The Design Monitoring Framework was accurately and adequately designed and remained unchanged for the two-year implementation of the program. There were no significant changes in the original objective, program design, and indicators.

RESULTS AND ACHIEVEMENTS

217. The program contributed to addressing poverty and reducing inequalities, accelerating progress in gender equality, and strengthening governance and institutional capacity. It also exceeded its targets, including decreasing the incidence of national poverty, providing economic assistance to poor and vulnerable groups, and supporting workers in export-oriented industries. It also achieved its gender-related performance targets and implemented measures to protect vulnerable households and support business entities.

Quantitative Results

Reform Area	Target	Achievement
General Effect of the Program	Maintain national poverty incidence at 2019 level of **20.5%**	As of May 2022, national poverty incidence at **18.5%**
	15 million poor and vulnerable people (**40% women**) benefit from at least one economic assistance program under the Government of Bangladesh's COVID-19 response plan	**18.5 million** poor and vulnerable people (**51% women**) benefited from at least one economic assistance program
Expansion of Social Safety Net to Vulnerable Groups	**2,000** government doctors, nurses, and medical workers engaged in treating COVID-19 patients given special honorarium	**24,877** doctors, nurses, medical workers received two months' basic pay as honorarium
	750,000 senior citizens newly enrolled in the National Old Age Program with monetary benefit of BDT500 per month provided **(40% women)**	**1.3 million senior citizens** from 262 most poverty stricken upazilas newly enrolled receiving BDT500 per month **(46% women)**
	250,000 women newly enrolled in the National Allowance Scheme for Widowed and Husband-deserted Distressed Women receiving monetary benefit of BDT500 per month	**775,000 women** from 262 most poverty stricken upazilas enrolled, receiving Tk500 per month
	Two million poor families receiving **BDT2,000** (of whom **20% are headed by women)**	**3.5 million poor families** received **BDT2,500** on-time cash transfers (**25% headed by women**)
	One million poor and vulnerable families provided with food support of 20 kg per month during the pandemic emergency period	**12.93 million** families received 20 kg of rice per month per family under the Special GR program (70% male and 30% woman-headed households)
Protection of Employment Opportunities	**BDT30 billion** provided in wage subsidies to workers in export-oriented industries (50% women)	**BDT49.45 billion** provided in wage subsidies to 3.8 million workers in export-oriented industries (53% women)
	BDT170 billion in loans with subsidized interest provided to affected industries, sectors, and MSMEs.	**BDT551.86 billion** in loans provided to affected industries, sectors, and MSMEs. BDT375.47 billion in loans provided to 3,619 businesses in affected industries; BDT176.39 billion provided to 115,190 SMEs.

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

218. First policy-based lending of the CRF. This project was AIIB's first time cofinancing a policy-based loan. The internal capacity of AIIB staff greatly improved and helped pave the path for future PBL engagements with Bangladesh and greater PBL within the Bank.

LESSONS AND INSIGHTS

219. Rapid and coordinated crisis response. AIIB demonstrated agility by approving CRF within weeks of the pandemic declaration, leveraging lead financier documentation to expedite processing and ensure timely disbursement of funds.

220. Continuous government engagement. Ongoing policy dialogue and close coordination with the government were critical for aligning priorities, bridging financing gaps, and sustaining relationships for future macroeconomic stability efforts.

221. Strong partnership with development partners. Collaboration with ADB and other partners enabled accurate program design, joint monitoring, and timely fund availability, reinforcing the value of coordinated MDB responses during crises.

CHALLENGES

222. Inability to travel. Global travel restrictions limited project teams' ability to engage in person with stakeholders, especially given the absence of local offices. Although this was largely mitigated through virtual meetings and did not significantly affect the quality of AIIB's work, it did create operational inconvenience.

223. Lack of a cofinancing framework for PBL. As AIIB's first cofinanced PBL with ADB, the project required extensive coordination across multiple AIIB teams to establish workable arrangements and ensure timely delivery of objectives.

AIIB EVALUATION INTERVIEWS (SEP. 11, 2025)

224. As part of the CRF Thematic Evaluation, the evaluation team held extensive discussions with the AIIB project team.

225. The engagements confirmed the following:

- **Flexibility.** AIIB demonstrated agility by approving and disbursing the Bangladesh CRF operation within two months, adapting processes for virtual coordination and streamlined cofinancing with ADB.
- **Alignment with government priorities.** The program focused on urgent liquidity support and social protection aligned with Bangladesh's stimulus package, addressing

vulnerabilities in export and informal sectors while health coverage was managed by other partners.

- **Institutional and strategic impact.** The project introduced AIIB's first PBF, strengthened internal capacity, improved relationships with ministries, and laid the foundation for subsequent programs under the CBPF, advancing governance and public finance reforms.
- **Collaboration and additionality.** AIIB leveraged ADB's design and monitoring framework, coordinated with IMF and other partners to ensure macroeconomic stability, and provided critical financing during a crisis, reinforcing trust and long-term engagement.
- **Lessons for future operations.** This project highlighted the need for adaptability, robust cofinancing arrangements, and better mechanisms to track long-term impacts beyond input indicators, informing future policy-based and climate-focused programs.

EVALUATION ASSESSMENT

Relevance – Relevant

226. The project was well aligned with CRF objectives and helped address Bangladesh's pressing economic and social needs due to the pandemic.

Effectiveness – Effective

227. The project achieved its intended results and outputs. It helped mitigate the adverse socioeconomic impacts of the COVID-19 pandemic, specifically addressing issues like poverty, gender inequality, governance, and institutional capacity.

Efficiency – Efficient

228. The time between approval and effective date was less than one month. Disbursement was given in full on a fast, single tranche.

Sustainability

229. Since this was a countercyclical support facility operation focused on short-term fiscal responses, its primary intention was to finance urgent measures addressing the immediate impacts of the pandemic. Most actions and reforms under the program were not designed to be sustained beyond the crisis, as they targeted urgent needs. Therefore, a sustainability rating is not applicable.

Added Value

230. According to client feedback, AIIB's financing has played a pivotal role in enabling the project's implementation and ensuring its sustainability. Timely and reliable support provided the financial resources necessary to address the urgent needs arising from the COVID-19 pandemic. Moreover, AIIB's commitment to promoting sustainable development aligned perfectly with Bangladesh's national goals, making the financing even more valuable.

OVERALL ASSESSMENT AND CONCLUSION

231. As one of the first operations approved under the CRF, this program has effectively assisted Bangladesh in addressing its emergency financial crisis. The AIIB team has been able to support preserving macroeconomic stability and cushioning the adverse effects of the pandemic on economic growth.

232. The project received highly satisfactory feedback from the recipients, who demonstrated a strong willingness to work with AIIB again in infrastructure development. Following the successful coordination and implementation of the program with the Bangladesh government, AIIB has continued to engage in five additional CRF projects with the Member as well as one standalone project.

INDONESIA – EMERGENCY RESPONSE TO COVID-19 PROGRAM

CONTEXT AND RATIONALE

233. When the COVID-19 pandemic struck in early 2020, Indonesia faced an unprecedented test of resilience. With a population of 270 million spread across 17,000 islands, Indonesia's health-system capacity was critically limited. There were only 42 certified testing laboratories, fewer than 2,400 ICU beds, and weak surveillance infrastructure across 514 districts.

234. The government launched a USD14.9 billion National Health and Social-Protection Plan under the National Economic Recovery Program to expand health-system readiness, scale testing and vaccination, and sustain essential services for vulnerable populations.

235. To reinforce these national efforts, AIIB partnered with the World Bank to cofinance the Emergency Response to COVID-19 Program, the first ever global use of the PforR instrument in a health emergency. The operation mobilized USD1.51 billion (AIIB USD750 million, World Bank USD750 million, plus Kreditanstalt für Wiederaufbau (KfW) and Australia USD10 million).

236. Beyond emergency financing, the program provided a live laboratory for testing AIIB's reliance on national systems, its approach to results-based operations, and its ability to co-lead with peer MDBs under a unified results framework.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

237. The program adopted the PforR modality, linking disbursements to 14 disbursement-linked indicators (DLIs) across three results areas:

- Hospital and health-system readiness expanding ICU and isolation capacity, equipment, and workforce readiness.
- Public-health laboratory, surveillance, and testing capacity.
- Risk communication, vaccination rollout (under Additional Financing), and continuity of essential services.

238. This performance-based design ensured that financing was released only upon verified achievement of results, providing both speed and accountability.

Institutional Arrangements

239. The Ministry of Health (MoH) led implementation, while the Ministry of Finance (MoF) managed fiduciary oversight. The National Audit Agency (BPKP) served as an independent verifier for all financiers under a harmonized verification protocol.

240. AIIB's Board approved the use of the World Bank's PforR policy in lieu of AIIB's ESP, enabling a single safeguard and verification framework. This harmonized approach significantly reduced transaction costs while building institutional trust and transparency.

Additional Financing

241. In June 2021, AIIB approved an Additional Financing of USD500 million to support vaccine procurement, cold-chain logistics, and community vaccination campaigns. This expansion accelerated coverage and strengthened national preparedness for future health shocks.

RESULTS AND ACHIEVEMENTS

242. The program achieved or exceeded all 14 DLIs, was fully disbursed on schedule, and rated Satisfactory for both the project development objective and implementation progress by all partners.

Quantitative Results

Results Area	Baseline (2020)	Endline (2023)	Impact/Commentary
ICU and isolation beds	2,355 ICU beds	35,908 ICU beds; >100,000 isolation beds	>600% increase in surge capacity enabling national coverage.
Testing capacity	3,000 tests/day	582,000 tests/day; >1,100 labs	26× expansion in diagnostic capacity, reducing turnaround time.
Vaccination	0 % coverage	86% (one dose); 75% fully vaccinated	Seventh country globally to exceed 100 million doses administered.
Service continuity	—	88% of pre-pandemic levels	Essential health services sustained through adaptive planning.
Medical-waste management	Manual and fragmented	Nationwide digital system (SIKELIM)	First national real-time medical waste tracking platform.
Citizen engagement	None	103,000+ queries handled via hotlines	Enhanced transparency and citizen trust in MoH response.

Qualitative Outcomes

243. System resilience. Emergency investments created permanent assets, expanded laboratories, strengthened digital systems, and trained health workforce.

244. Ownership. Use of government systems anchored accountability within MoF and MoH, embedding evaluation culture.

245. Transparency. Unified verification across financiers ensured credible reporting and cross-MDB trust.

INSTITUTIONAL INNOVATIONS AND GOOD PRACTICES

246. Country-system reliance. AIIB's decision to rely fully on Indonesia's public-financial management, audit, and procurement systems was a defining institutional milestone.

247. Harmonized safeguards. Adopting the World Bank's PforR policy in place of AIIB's ESP ensured one results framework, one audit, and one safeguards system, minimizing duplication.

248. Unified verification. The BPKP's audit of DLI achievements became a model for results verification across MDBs.

249. Digital environmental management. The SIKELIM platform institutionalized safe and traceable medical-waste handling nationwide.

250. Learning transfer. The operation catalyzed technical-capacity improvements, influencing Indonesia's ongoing Health System Transformation Roadmap 2025–2029.

LESSONS AND INSIGHTS

251. Instrument choice matters. PforR provided the right balance of flexibility, speed, and accountability under crisis conditions.

252. Efficiency through cofinancing. The lead-financier model reduced administrative burden, demonstrating practical harmonization among MDBs.

253. Verification builds confidence. Third-party audits by BPKP strengthened the credibility of results-based approaches.

254. Emergency investment as system builder. What began as crisis funding laid the groundwork for routine public-health modernization.

255. Equity and communication. Targeted outreach remains essential to close coverage gaps among elderly and remote populations.

256. Adaptive implementation. Continuous learning and real-time course correction were key to success amid evolving pandemic conditions.

CHALLENGES

257. Regional disparities. Capacity expansion was uneven, with outer islands lagging behind Java and Sumatra.

258. Sustainability. Long-term financing for facility maintenance and staffing remains uncertain.

259. Data quality. Rapid rollout strained data integrity; continued investment in digital health analytics is needed.

260. Transition management. Shifting from emergency mode to institutionalized preparedness requires strategic planning and fiscal commitment.

AIIB EVALUATION MISSION (OCT. 20-23, 2024)

261. As part of the CRF Thematic Evaluation, an AIIB mission visited Jakarta and Bogor, meeting with the Ministries of Health and Finance, the World Bank, ADB, and the Small and Medium Enterprises Association.

262. The mission confirmed that:

- The PforR modality delivered fast, results-linked financing through national systems.
- Harmonized verification enabled strong fiduciary assurance and partner alignment.
- AIIB's collaborative approach enhanced MDB coordination and established the foundation for future programmatic operations in primary health care and local enterprise resilience.

EVALUATION ASSESSMENT

Relevance – Highly Relevant

263. Highly relevant to AIIB's CRF objectives and Indonesia's national recovery priorities. The program addressed core pandemic-response needs while advancing AIIB's strategic goal of working through country systems.

Effectiveness – Effective

264. The operation saw substantial achievement of objectives, and exceeded key targets on ICU, testing, and vaccination. Strong institutional performance and adaptive implementation capacity were demonstrated.

Efficiency – Efficient

265. Unified systems and the absence of parallel reporting structures supported efficiency. AIIB leveraged the World Bank's operational platform, maximizing value for money and reducing transaction time.

Sustainability – Likely Sustainable

266. Physical and digital assets were created (labs, SIKELIM, surveillance systems) and integrated into national programs. Sustainability hinges on continued government funding and integration within the health-sector budget.

Added Value

267. AIIB brought distinct institutional value beyond financial co-participation. Its engagement:

- Reinforced MDB partnership practices, showcasing how cofinancing can achieve harmonized safeguards and fiduciary processes under pressure.
- Enhanced Indonesia's access to capital at scale, accelerating the government's pandemic response.
- Contributed to independent evaluation and learning, with AIIB's Independent Evaluation Function feeding lessons into the Bank's future results-based and climate-resilience operations.
- Positioned AIIB as a credible learning institution, able to combine prudence with innovation during systemic crises.

268. The collaboration demonstrated AIIB's ability to add value through agility, policy dialogue, and technical alignment, rather than through parallel financing channels.

OVERALL ASSESSMENT AND CONCLUSION

269. The Indonesia Emergency Response to COVID-19 Program stands as a global benchmark for results-based crisis financing, illustrating how MDBs can leverage national systems to deliver rapid, measurable, and sustainable outcomes. The program achieved speed, scale, and accountability, expanding critical health infrastructure, strengthening institutional capacity, and building digital systems that endure beyond the emergency.

270. It also reinforced AIIB's identity as a results-driven and learning-oriented institution, capable of partnering effectively with peer MDBs while contributing unique operational insights. For AIIB, the Indonesia case validated the PforR modality as a viable instrument for future operations in health, climate adaptation, and social resilience particularly where national systems demonstrate capacity and integrity. Its legacy extends beyond COVID-19: it strengthened Indonesia's institutional preparedness for future pandemics and exemplified how crisis response can accelerate long-term system transformation.

PHILIPPINES – COVID-19 ACTIVE RESPONSE AND EXPENDITURE SUPPORT PROGRAM (CARES)

CONTEXT AND RATIONALE

271. After the first confirmed COVID-19 case, the Philippines government declared a nationwide public health emergency on March 8, 2020, and implemented tiered quarantine measures based on local risk levels until 2022. During the initial wave, hospitals faced severe shortages of beds, equipment, medicines, and staff, disrupting routine health care services and delaying treatment for other conditions. Financial strain further limited testing, treatment, and immunization efforts, while cases and fatalities continued to rise through late 2020.

272. In March 2020, the government launched fiscal stimulus packages covering key actions: enhanced quarantine measures; expanded medical services; social protection and livelihood support; small business relief; support for agriculture and other sectors; and local government assistance. AIIB's CRF was designed to back these measures and help mitigate the pandemic's social and economic impacts.

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

273. On May 27, 2020, the AIIB Board of Directors approved the COVID-19 Active Response and Expenditure Support (CARES) Program under the CRF, a USD750 million sovereign-backed financing to the Republic of the Philippines. The loan was signed on June 5, 2020, and declared effective on June 30, 2020. The program was cofinanced with ADB under their Countercyclical Support Facility COVID-19 Pandemic Response Option with a total amount of USD1.5 billion.

274. This program supported various government programs and initiatives to address the impacts of the COVID-19 pandemic in the Philippines. It provided critically needed budgetary support to assist the government of the Philippines in mitigating the adverse health, social, and economic impacts of COVID-19. In particular, the program's expected output was to implement measures to combat the spread of COVID-19, allocate dedicated funds and implement a social protection and relief program for affected people, and deliver economic stimulus to affected sectors. Moreover, this program was supported by the Japan International Cooperation Agency, providing a total amount of around USD700 million.

Institutional Arrangements

275. The program was implemented swiftly in response to the COVID-19 pandemic, enhancing the government's COVID-19 response and recovery plan. It mainly supported the health sector, social protection programs, and economic recovery measures through various government programs and initiatives addressing the adverse impacts of COVID-19. Moreover, there were no changes in the indicators or objectives. AIIB's closing date did not change despite the change in ADB's program closing date from May 2021 to December 2021, allowing for continued monitoring and implementation of the government's COVID-19 response.

276. The Department of Finance (DOF) served as the executing agency for the program. The program established a coordinating and monitoring framework to ensure effective implementation as well as a policy committee and technical working groups to guide and monitor implementation.

277. AIIB agreed to apply and assess the program's E&S risks and impacts following ADB's SPS provisions applicable to policy-based lending. Under the SPS, the program was classified as a Category C for Environment, Involuntary Resettlement, and Indigenous Peoples.

RESULTS AND ACHIEVEMENTS

278. By the end of December 2021, six out of the eight output indicators (75%) had been fully or substantially achieved. The other two were deemed to be partially achieved mainly due to the limited availability of government data. Outputs for social assistance, economic stimulus, and health-related indicators were delivered.

Quantitative Results

Reform Area	Target	Achievement
Measures taken to combat the spread of the COVID-19 pandemic in the Philippines	By May 2020, testing capacity increased to 8,000 per day.	By May 2020, testing capacity increased to 8,000 per day. By May 2022, the daily testing capacity had increased to 96,757.
	By July 2020, average turnaround time from sample collection to results reduced to 48 hours or less.	As of July 2020, the turnaround time for COVID-19 testing was reduced to two to three days. By Feb. 15, 2021, it was further reduced to 1.38 days (33.12 hours).
Dedicated funds and programs for social protection and relief to affected people allocated and implemented	By July 2020, the government, through the 4Ps Program, provided conditional cash transfers and emergency subsidy support of PHP10,000-16,000 for 4.4 million vulnerable households, of which 85.3% of beneficiaries were women.	As of Dec. 31, 2021, the government disbursed PHP18.4 billion to 4.2 million 4Ps families (86% women) under tranche 1 of Bayanihan 1; PHP6.8 billion to 1.3 million 4Ps families (88% women) under tranche 2 of Bayanihan 1; and PHP104.5 million to 27,775 4Ps beneficiaries under Bayanihan 2.
	By July 2020, the government had provided emergency subsidy support of PHP10,000-16,000 to 13.6 million households.	As of Dec. 31, 2021, the government disbursed PHP81.3 billion to 13.4 million beneficiaries (49% women) under tranche 1 of Bayanihan 1; PHP84.0 billion to 13 million beneficiaries (49% women) under tranche 2 of Bayanihan 1; and PHP5.1 billion to 690,888 beneficiaries (49% women) under Bayanihan 2.

Reform Area	Target	Achievement
Economic stimulus for affected sectors delivered	By December 2020, the government had delivered PHP30.6 billion in economic stimulus and support to highly affected and vulnerable sectors.	As of Dec. 31, 2020, the government disbursed PHP14.76 billion from its PHP17.64 billion budget for COVID-19 programs (PHP8.5 billion allotment from Bayanihan 1 and PHP9.14 billion from its 2020 Regular Budget). As of June 30, 2021, the following had been disbursed: MSME assistance, including GFI Capital infusions to support lending and loan guarantees (PHP99.4 billion); agriculture (PHP32.5 billion); education (PHP15.9 billion); transport (PHP9.4 billion); and tourism infrastructure (PHP576.7 million).

LESSONS AND INSIGHTS

279. Rapid response. AIIB approved the Philippines' COVID-19 assistance in just five weeks, using the lead financier's documents to speed up processing and disbursing funds by July 6, 2020.

280. Strong engagement. Continuous policy dialogue and stakeholder consultations ensured alignment with government priorities and led to more CRF operations and long-term recovery measures.

281. Data challenges. Limited data and poor agency coordination delayed aid and monitoring; AIIB can support by improving online systems, data collection, and e-governance for better program delivery.

CHALLENGES

282. Data governance issues. Limited data availability (including gender data) and poor coordination among government agencies delayed financial assistance and hindered monitoring, making timely delivery of cash transfers and social protection schemes difficult.

AIIB EVALUATION INTERVIEWS (SEP. 11, 2025)

283. As part of the CRF Thematic Evaluation, the evaluation team held extensive discussions with the AIIB project team.

284. The engagements confirmed the following:

- **Swift response and limited role.** AIIB approved and made the project effective within three months of the Philippines' request, but its involvement was mainly financial, relying on ADB's safeguards and facing constraints due to virtual settings and travel bans.

- **Early learning and capacity building.** As one of AIIB's first CRF projects, it highlighted gaps in health sector expertise and data systems, leading to the creation of the Social Department and new instruments like SFW and paving the way for future standalone health operations.
- **Partnership and long-term impact.** Despite initial limitations, the project built trust with the Philippines government, enabling more complex engagements and strengthening AIIB's cofinancing partnership with ADB in key regional countries.

EVALUATION ASSESSMENT

Relevance – Relevant

285. The project was well aligned with CRF objectives and addressed the government's medium-term priorities and urgent pandemic related response needs.

Effectiveness – Effective

286. **The project achieved most of its intended results and outputs.** It helped the government combat the spread of the disease and its efforts to provide social protection and relief to affected people.

Efficiency – Efficient

287. **The time between approval and effective date was approximately one month.** Disbursement was given on a single, fast tranche to the client.

Sustainability

288. **Since this was a countercyclical support facility operation focused on short-term fiscal responses, its primary intention was to finance urgent measures addressing the immediate impact of the pandemic.** Most actions and reforms under the program were not designed to be sustained beyond the crisis, as they targeted urgent needs. Therefore, a sustainability rating is not applicable.

Added Value

289. **The government of the Philippines has more CRF operations and has been continuously working with AIIB as a result of the good experience with this first CRF operation,** promoting sustainable and inclusive development and designing immediate and long-term recovery measures for the country.

OVERALL ASSESSMENT AND CONCLUSION

290. The program was implemented successfully to assist the Philippines government in managing the spread of COVID-19 and reducing poverty in the Philippines. It increased testing capacity, reaching 96,757 daily tests by May 2022, and provided frontline health workers with health insurance and risk allowances. It also delivered social protection measures, including conditional cash transfers and emergency subsidies. Regarding economic resilience, support was provided to highly affected sectors, such as MSMEs and agriculture. Moreover, it demonstrated a commitment to gender mainstreaming but was mainly constrained by data availability to measure the quantitative targets, achieving only four of six gender performance indicators based on the gender equality achievements and results.

UZBEKISTAN – ADVANCING UZBEKISTAN'S ECONOMIC AND SOCIAL TRANSFORMATION DEVELOPMENT POLICY OPERATION

CONTEXT AND RATIONALE

291. Uzbekistan entered the COVID-19 pandemic with strong growth momentum and adequate reserves, but the crisis was compounded by external shocks such as the war in Ukraine and tightening global financial conditions and created fiscal pressures and risks to reform implementation. The government's response combined health measures, expanded social assistance through the social registry, and continued structural reforms in SOEs and competition policy, even as fiscal deficits widened to balance immediate needs with long-term goals.

292. The National COVID-19 Plan focused on: controlling the pandemic through testing, isolation, and care; strengthening health system capacity for intensive care; conducting mass awareness campaigns; expanding unemployment benefits and wage subsidies; providing cash transfers to vulnerable households; and providing tax relief measures, including temporary reductions and deferrals. Overall, government support amounted to about 4% of GDP.

293. In total, AIIB extended four CRF-financed operations to Uzbekistan.

- Healthcare Emergency Response Project (2020, USD100 million, cofinanced with ADB)
- National Bank of Uzbekistan COVID-19 Credit Line Project (2020, USD200 million, a standalone SBF), later canceled after USD10 million disbursed
- Advancing Uzbekistan Economic and Social Transformation Development Policy Operation (2022, USD530 million, a PBF cofinanced with the World Bank)
- First Inclusive and Resilient Market Economy Development Policy Operation (2023, USD670 million, a PBF cofinanced with the World Bank)

PROGRAM DESIGN AND IMPLEMENTATION

Instrument and Structure

294. Among Uzbekistan's four CRF projects, this operation was approved in December 2022 as policy-based financing. It was cofinanced by the World Bank, with AIIB providing USD530 million and the World Bank contributing USD950 million in parallel financing. The project aimed to sustain reform momentum and create fiscal space for the government during a period of heightened needs, supporting socioeconomic recovery and development through reforms structured around three main pillars.

- **Pillar 1: Strengthening market institutions and the environment for private-sector growth.** This included measures to improve competition law, modernize the insolvency framework, and strengthen regulatory institutions in sectors such as telecoms and financial services.

- **Pillar 2: Improving SOE management and fiscal transparency.** This included the adoption of a privatization law, reforms in corporate governance of SOEs, enhanced fiscal reporting, and frameworks to manage contingent liabilities and quasi-fiscal risks.
- **Pillar 3: Increasing social inclusion and resilience.** This included expansion of the national social registry, improvements in targeting and adequacy of social assistance benefits, and steps to make the social safety net more resilient to future crises.

295. While framed under the CRF, these pillars are primarily medium term and structural in nature and do not fully align with the immediate COVID-19 response objectives of the Facility. The project was also approved relatively late in the CRF life, underscoring the importance of assessing the extent to which the project fits the CRF's second extension's (approved February 2022) narrower focus on vaccine procurement, distribution and deployment; PBFs for enhanced pandemic response, preparedness, and recovery; and financing of essential COVID-19-related emergency health care or urgent expenditure needs.

RESULTS

296. Funds were fully disbursed in December 2022; results verification was scheduled by June 30, 2025. However, the Project Completion Note or the World Bank ICR/DPO review have not yet been prepared. Thus, the analysis of results and outcomes are limited.

297. The project document envisaged the following results objective indicators, which have little direct and explicit relevance to the COVID-19 pandemic or other crisis response preparedness and alleviation:

- Number of annual privatization progress reports prepared and published in accordance with requirements in Article 22, the new privatization legislation.
- Number of licensed mobile (telecommunications) network operators that are fully privately owned.
- Number of anticompetitive practices sanctioned under the new law.
- Submission of quarterly financial reports by all SOEs under the ownership and management of the Ministry of Finance.
- Share of social assistance beneficiaries among the poorest 40% of people.
- Percentage of women employed in the formal private sector for more than six months who are eligible to receive maternity leave benefits paid through social insurance.
- Assets of registered nonbank credit organizations, as a share of total banking sector assets.
- Percentage of filings for restructuring cases over total cases.

AIIB EVALUATION INTERVIEWS (SEP. 19, 2025)

298. As part of the CRF Thematic Evaluation, the evaluation team held extensive discussions with the AIIB project team.

299. The engagements confirmed the following:

- **Virtual operations and knowledge building.** Despite travel restrictions, virtual engagement enabled AIIB to kickstart long-term relationships, build institutional knowledge, and gain experience in diverse policy reforms across sectors.
- **Capacity and future direction.** CRF projects strengthened AIIB's reputation for flexibility and speed, paving the way for future CPBF operations focused on energy sector reforms and sustainability while highlighting the need for technical assistance and government ownership for successful policy-based lending.

E. EVALUATION METHODOLOGY, THEORY OF CHANGE, AND LIMITATIONS

1. **This evaluation employs a mixed-methods approach anchored in OECD-DAC criteria[1] and guided by a theory of change.** The evidence base comprises systematic analysis of all 68 projects; 10 case studies; field missions to five Members; benchmarking against peer MDB facilities; and consultations with AIIB staff, Management, Board representatives, Member officials, and partners. This design enables triangulation across quantitative data, qualitative narratives, stakeholder perspectives, and comparative analysis.

2. **Overarching Question:** To what extent did AIIB's CRF contribute effectively toward helping Members mitigate the pandemic's impacts, and what lessons can guide future crisis response?

3. **Quality assurance includes the Independent Evaluation Function's structural independence, experienced international consultants, external peer review, and validation workshops with Management.** Where evidence converges, findings are presented with high confidence; where preliminary or mixed, appropriate caveats are noted.

Table 1: Evaluation Criteria Table

Criterion Dimension	Analytical Focus
Relevance	Alignment of CRF objectives, design, and instruments with Members' pandemic needs and AIIB's strategic mandate.
Effectiveness	Achievement of intended outputs and outcomes across the four CRF pillars.
Efficiency	Timeliness, resource use, and process quality under accelerated modalities.
Sustainability	Continuity of benefits and durability of institutional or policy reforms.

1 OECD-DAC. 2010. Quality Standards for development evaluation. bit.ly/4u4vjvg

Figure 1: Methodological Approach Table

Portfolio Analysis	Review of all 68 CRF projects (USD18.5 billion across 26 Members) covering design, financing structure, and sectoral trends.
Case Studies	Ten in-depth project assessments, with field visits in five countries, capturing results and contextual factors.
Stakeholder Interviews	Approximately 60-80 interviews with AIIB Management and project teams, partner MDBs, government counterparts, and private-sector entities.
Document Review	Project files, Board documents, partner completion reports, and policy papers.
Benchmarking	Comparative assessment of AIIB's response relative to peer MDB facilities.
Literature Review	Synthesis of global evidence on crisis finance and pandemic response.
Contribution Analysis	Used to assess AIIB's value addition in joint operations where direct attribution is limited.

4. The main analytical methods and sources of information to address the evaluation questions include.

5. **Portfolio analysis.** The evaluation examined the full CRF lending portfolio of 68 projects to draw observations on the use of CRF financing, its objectives, and its reach among developing economies. This includes a review of the available portfolio data as well as the project appraisal documents for all projects.

6. **Government and other development partner documents.** The evaluation drew on relevant reports, studies, evaluations, and databases relevant to the crisis response from governments, partner MDBs, UN agencies, and other development agencies.

7. **External literature review.** The evaluation drew upon relevant external literature on the economic and social impacts of the COVID-19 pandemic; government policy responses to mitigate the impact of and recover from the crisis; and the role played by IFIs.

8. **Stakeholder interviews.** The evaluation undertook semistructured qualitative interviews with a range of stakeholders to understand the CRF experience from different individual perspectives. Interviews included AIIB staff; partner MDB staff; government officials; and stakeholders in case study countries, including representatives of the private sector, NGOs, and other development partners. The interviews sought to obtain knowledge, opinions, perspectives, and insights to inform the evaluative assessments.

9. Benchmark against the pandemic responses of other MDBs. The evaluation compared the key elements of the CRF to those of the COVID-19 response initiatives of other MDBs to place the CRF in comparative context and observe major similarities, complementarities, differences, or inconsistencies.

10. In-depth project reviews. To supplement the evidence base from other sources, the evaluation undertook in-depth reviews of a purposeful sample of 10 closed projects. Purposeful sampling is a well-established approach used in evaluations to select a subset of projects that best represent the diversity and key characteristics of the entire population of projects.[2] In the context of evaluating the CRF, the evaluation team selected 10 projects through purposeful sampling, identifying those that reflect the diversity of projects and intended objectives and can provide representative insights into the CRF's operations. Projects will be selected to provide adequate coverage of each of the four main CRF objectives, be representative of the geographical spread and country income group coverage of the CRF, provide deeper evidence in certain areas, or provide illustrative examples of key issues. A sample of standalone AIIB operations is also included. The in-depth CRF project reviews include:

- Review of AIIB and cofinancier project documentation,
- Review of AIIB and cofinancier completion reports (as available),
- In-depth interviews with the AIIB project team, government officials, representatives of the private sector, civil society groups, development partners, and other stakeholders, and
- Field visits for five sampled projects to gain further insights into the achieved results.

2 Palinkas, L.A., Horwitz, S.M., Green, C.A. et al. 2015. Purposeful Sampling for Qualitative Data Collection and Analysis in Mixed Method Implementation Research. Adm Policy Ment Health 42, 533–544. bit.ly/4wk82Hz; Ahmad, M., Wilkins, S. 2025. Purposive sampling in qualitative research: a framework for the entire journey. Qual Quant 59, 1461–1479. bit.ly/4dDcA4d

Table 2: Case Selection Matrix

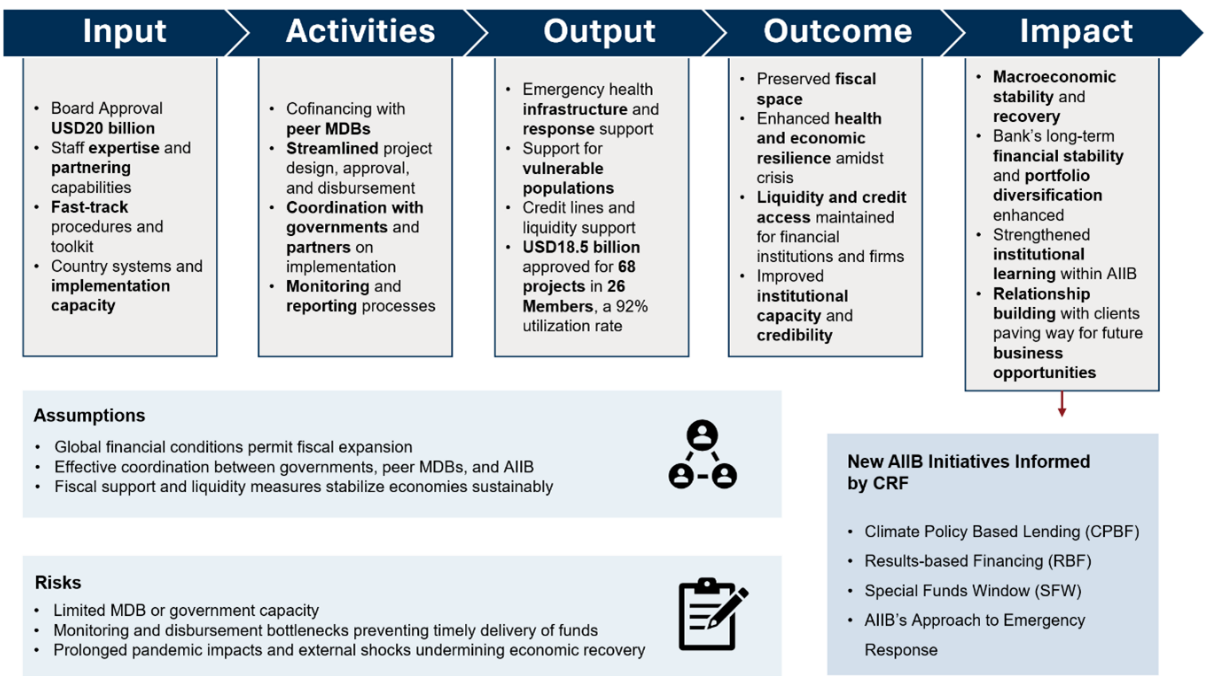
Project Name	Region (WBG)	Income Level	Lead Cofinancier
Public Health			
China: Emergency Assistance to Public Health Infrastructure Project	East Asia and Pacific	Upper-middle income	Standalone
Indonesia: Emergency Response to COVID-19 Program	East Asia and Pacific	Upper-middle income	World Bank
Hungary: Emergency Assistance for Healthcare Expenditures	Europe and Central Asia	High-income	Standalone
Economic Resilience/PBF			
Bangladesh: COVID-19 Active Response and Expenditure Support Program	South Asia	Lower-middle income	Asian Development Bank
Philippines: COVID-19 Active Response and Expenditure Support Program	East Asia and Pacific	Lower-middle income	Asian Development Bank
Pakistan: Building Resilience with Countercyclical Expenditures (BRACE) Program	South Asia	Lower-middle income	Asian Development Bank
Uzbekistan: Advancing Economic and Social Transformation Development Policy Operation	Europe and Central Asia	Lower-middle income	World Bank
Finance/Liquidity			
Türkiye: Eximbank COVID-19 Credit Line Project	Europe and Central Asia	Upper-middle income	Standalone
Cambodia: PRASAC COVID-19 Crisis Recovery Facility	East Asia and Pacific	Lower-middle income	Standalone
Viet Nam: VP Bank COVID-19 Response Facility	East Asia and Pacific	Lower-middle income	International Finance Corporation

11. The evaluation is guided by a theory of change that traces how the CRF's design and delivery mechanisms were expected to generate results and institutional learning. It is anchored in three core hypotheses:

- **H1 – Speed and Quality:** If AIIB adapts its processes for rapid deployment, it can deliver timely crisis financing without compromising due diligence or governance standards.
- **H2 – Partnership Value:** If AIIB leverages MDB cofinancing, it can amplify development impact, enhance credibility, and mitigate operational risk.
- **H3 – Institutional Learning:** If AIIB captures and applies lessons from the CRF, it will strengthen institutional agility, innovation, and crisis-response preparedness.

12. The theory of change assumed that even amid a pandemic, favorable global financial conditions and effective coordination among stakeholders will continue. Contextual risks included capacity constraints, disbursement bottlenecks, and external shocks such as the war in Ukraine and vaccine supply variability.

Figure 2: Theory of Change



13. Limitations: Several factors shape the depth of conclusions. Many operations remain under implementation, with outcome assessments preliminary and Phase I operations offering more mature evidence. The crisis setting with extensive cofinancing complicates isolating AIIB's distinct contribution. Pandemic constraints affected data availability in some Members, and field visits cannot fully reflect all CRF experiences. These factors were managed through rigorous triangulation, transparent signaling of evidence gaps, and calibrated judgments.

HOW CRF EXPERIENCE ALIGNS WITH OECD-DAC CRISIS RESPONSE LESSONS

14. This authoritative OECD evaluation[3] examines the full international response, including MDBs, the UN system, donor governments, and the private sector to the pandemic. It provides a valuable lens through which to assess the CRF's performance against best practices.

Table 3: Alignment of CRF Performance with OECD Strategic Joint Evaluation Lessons

OECD Lesson	CRF Performance
1. Manage internal coordination and preparedness	The CRF enabled AIIB to act swiftly in developing its strategy and operational plan, coordinating closely with partners, especially through cofinancing. The CRF was established within three weeks of Board deliberation. As a young bank, its capabilities in coordinating across parts of its client governments were nascent, and it relied heavily upon other MDBs.
2. Use evidence and strengthen learning	Under the CRF, AIIB initially provided rapid funding through project finance and policy-based lending, adapted to emergency conditions, and relied on governments to take the lead in identifying health and fiscal needs that were subsequently appraised with other MDBs. Through periodic reviews, CRF strategies were adapted; thus, the second phase of the facility concentrated on recovery needs, including economic reform priorities to support private-sector development and infrastructure and vaccine development. Credit lines and emergency health support were phased out.
3. Work through existing partners and meet emerging needs	The CRF experience prompted the strengthening and formalization of partnerships with governments and multilateral institutions as part of the Bank's emerging crisis-response architecture. During the pandemic, AIIB relied on the operational frameworks of cofinancing partners, the World Bank and ADB, rather than creating parallel structures, enabling speed while preserving fiduciary discipline.
4. Prepare for a coordinated, rapid crisis response	AIIB did not have pre-existing crisis-coordination arrangements at the onset of the pandemic. In practice, the CRF relied on cofinancing with MDB partners, using agreed frameworks to project finance (an established AIIB instrument) as well as results-based lending and policy-based lending. Operations relied heavily on national systems in health, fiscal management, and social protection, reinforcing domestic capacity and avoiding duplication. However, mechanisms for joint analysis and knowledge generation were limited, and technical assistance was largely absent.
5. Align funding types with country contexts	The CRF aligned well with OECD guidance by using a mix of project finance, results-based lending, and policy-based financing primarily through cofinancing to deliver cash transfers and address country-specific priority needs. These instruments enabled rapid deployment consistent with national systems and sectoral contexts. However, AIIB's contribution in knowledge generation, knowledge transfer, and technical assistance remained limited, constraining deeper engagement beyond financing.

3 OECD. 2025. Strategic Joint Evaluation of the Collective International Development and Humanitarian Assistance Response to the Covid-19 Pandemic. bit.ly/3P7lAFA

OECD Lesson	CRF Performance
6. Invest in and use national systems	Distinct from instrument selection (Lesson 5), this lesson addresses implementation modality: AIIB did not have social-support instruments in place at the outset of the pandemic, but through cofinancing arrangements the CRF, contributed to scaling up social assistance, largely using national health and social protection systems. This approach avoided parallel structures and reinforced countries' existing capacities. While effective for rapid support, AIIB's limited involvement in knowledge work and technical assistance constrained deeper, long-term engagement in social protection system strengthening.
7. Strengthen and use the multilateral system	This is a lesson for bilateral donors.
8. Address incoherence across policy goals	This lesson is largely aimed at bilateral donors. As AIIB matures, it is likely to play a more substantive upstream role in policy coherence and cross-government dialogue, particularly in areas such as fiscal reform, health systems, and social protection.

15. **AIIB combined rapid mobilization with sound governance, partnered effectively with peer MDBs, and translated experience into institutional learning.** This performance set a benchmark for how a young MDB can balance speed, discipline, and strategic coherence under crisis conditions.

F. EVALUATION QUESTIONS AND SUBQUESTIONS MATRIX

Evaluation Criteria	EvaluationQuestions	Methods/ Analysis	Sources of Information
(1) Relevance	To what extent was CRF financing appropriate to helping address critical needs in Members during the pandemic? a. Reach of CRF financing. To what extent did CRF financing reach developing economies most in need, such as those that had weaker healthcare infrastructure; weaker macroeconomic and financial sector fundamentals; higher dependence on sectors most affected by the pandemic; or had low creditworthiness and were unable to borrow from commercial markets? b. Appropriateness of areas supported by CRF financing. To what extent was CRF financing appropriate to helping Members (1) mitigate the health impacts of the pandemic; (2) protect the livelihoods of the poor and vulnerable; (3) help firms weather adverse impacts; and (4) implement measures for longer term recovery from the pandemic? c. AIIB priorities. Did AIIB make the right decision in choosing to open the CRF, considering institutional capacity, available instruments, client demand, and the broader crisis context? d. Value addition provided by AIIB. To what extent did AIIB's financing under the CRF reflect value-addition provided by AIIB? e. Driving factors. What factors facilitated or limited the relevance of AIIB support?	Portfolio analysis of all 68 projects to identify the main characteristics and reach of CRF financing in 2020-23. Assessment of CRF project objectives of 10 sampled projects against Members needs at the time; government initiatives and strategies; support from other development partners for a representative sample of projects. Ascertainment of the logical coherence between diagnosis, objectives, components, outputs, and expected outcomes for a sample of 10 completed projects. Contribution of AIIB to diagnosis, appraisal, supervision of cofinanced projects; validation of AIIB statements of value addition.	AIIB project documents, including objective statements; diagnoses; components; design and monitoring frameworks; monitoring reports; project completion notes. Partner completion reports and independent validations/ evaluations projects. Literature review: External analyses of the health, social, and economic impact of the pandemic globally and in Members; relevant MDB, UN agency, NGO, bilateral development partner sector reports. AIIB staff interviews; partner MDB staff interviews. Other stakeholder interviews in case study Members: government officials, representatives of private sector, NGOs, academia, development partners. Government program documents, sector reports; strategy documents.

Evaluation Criteria	EvaluationQuestions	Methods/ Analysis	Sources of Information
(2) Effectiveness	To what extent were the objectives of CRF-financed projects achieved? a. Instruments. Was the CRF overall successful in supporting clients in withstanding the impact of the crisis? Which instruments, including the SFW, proved most useful and effective in a crisis context? b. Public health systems. To what extent did CRF-financed projects achieve their objectives of helping Members address immediate pandemic health needs and strengthen the longer term response capacity of public health systems? c. Protection of the poor and vulnerable. To what extent did CRF-financed projects achieve their objectives of helping Members protect the livelihoods of the poor and vulnerable during the pandemic? d. Liquidity support for firms. To what extent did CRF-financed projects achieve their objectives of helping Members alleviate liquidity constraints and support firms in weathering the adverse impacts of the pandemic? e. Fiscal management and development policy reforms. To what extent did CRF-financed projects achieve their objectives of providing timely fiscal support to help Members bridge financing gaps and helping realize longer term policy reform measures to support recovery from the pandemic in Members? f. Unanticipated effects. To what extent did the CRF have unanticipated costs or benefits in Members that can be directly attributed to CRF financing? g. Driving factors. What factors supported or undermined the achievement of objectives?	Compilation of results from in-depth reviews of 10 completed projects. Portfolio analysis of all 68 projects to identify the main characteristics and reach of CRF financing in 2020-23.	AIIB project monitoring reports; project completion notes. Partner project completion reports, monitoring data, independent validations/evaluations. AIIB staff interviews; partner MDB staff interviews. Other stakeholder interviews in case study Members, including government officials, representatives of private sector, NGOs, academia, development partners. Government data and documents. External reports and data from UN agencies, academia, NGOs.

Evaluation Criteria	EvaluationQuestions	Methods/ Analysis	Sources of Information
(3) Efficiency	How efficient was the design and implementation of the CRF in enabling timely and impactful crisis response? a. Timeliness. How fast were CRF operations approved and disbursed compared to standard operations? b. Fast-track approach. Were due diligence and risk assessments appropriately adapted or fast-tracked to balance speed with risk management? c. Deployment of funds. Were funds deployed as planned and aligned with stated objectives? d. Internal efficiency. What longer term effects did the CRF have on internal efficiency and the preparation of projects in AIIB?	Compilation of results from in-depth reviews of 10 completed projects. Portfolio analysis of all 68 projects to identify the main characteristics and reach of CRF financing in 2020-23.	AIIB project monitoring reports; project completion notes. Partner project completion reports, monitoring data, independent validations/evaluations. AIIB staff interviews; partner MDB staff interviews. Other stakeholder interviews in case study countries, including government officials, representatives of private sector, NGOs, academia, development partners. Government data and documents. External reports and data from UN agencies, academia, NGOs.
(4) Sustainability	To what extent have the benefits of longer term policy and institutional reform measures supported by CRF projects continued beyond the CRF period?	Compilation of results from in-depth reviews of 10 completed projects. Portfolio analysis of all 68 projects to identify the main characteristics and reach of CRF financing in 2020-23.	AIIB project monitoring reports; project completion notes. Partner project completion reports, monitoring data, independent validations/evaluations. AIIB staff interviews; partner MDB staff interviews. Other stakeholder interviews in case study countries, including government officials, representatives of private sector, NGOs, academia, development partners. Government data and documents. External reports and data from UN agencies, academia, NGOs.

Evaluation Criteria	EvaluationQuestions	Methods/ Analysis	Sources of Information
(5) Contribution to AIIB Institutional Objectives	To what extent did factors within the control of AIIB support or hinder achievements of the CRF? To what extent did the CRF contribute to AIIB's institutional objectives? a. AIIB work quality under streamlined operations. To what extent did the streamlined processing and approval of CRF projects enable AIIB to respond rapidly to the crisis without compromising the quality of its preparation and appraisal standards? b. Compliance with AIIB's policy frameworks. To what extent was CRF financing consistent with the stated parameters of CRF and with other Board-approved policies and priorities in place at the time? c. AIIB capacity development. To what extent did AIIB's experience with the CRF support the acquisition of new skills and capacities in the institution? d. Support for core pillars of AIIB strategy. To what extent did CRF financing support the core pillars of AIIB's strategy, including establishing market position, achieving impact at scale, adding value along the project cycle, serving a broad range of Members, and building the corporate culture?	Checklist of CRF project compliance with AIIB policies in place at the time and with CRF policy framework parameters. Comparison of CRF project processing times and costs with non-CRF projects. Quality comparison of a sample of CRF projects with non-CRF projects via checklist of key project quality criteria. Qualitative analysis of CRF project contribution toward core pillars. Analysis of AIIB staff skills progression and trends. Benchmark against the pandemic responses of other MDBs. Qualitative analysis of CRF influence on post-CRF lending.	AIIB's corporate and sector strategies; other internal guidance documents. Internal AIIB processing, time, and cost data. AIIB staff and Management interviews. HR data on AIIB staff skills.

G. INTERVIEW LIST

Interviews with AIIB Management		Interviews with External Stakeholders		Interviews with AIIB Project Teams	
Interview Subject	Date	Interview Subject	Date	Interview Subject	Date
Strategy, Policy, and Budget Department	Sep. 16, 2025	Turk Eximbank (Orhan Inci)	Oct. 14, 2025	Cambodia	Sep. 18, 2025
Office of the President	Sep. 16, 2025	Hassan Tekstili (sub-borrower)	Oct. 14, 2025	Hungary	Sep. 17, 2025
Sustainability and Fiduciary Solutions Department	Sep. 15, 2025	ADB Uzbekistan Office (cofinancier)	Oct. 15, 2025	Pakistan	Sep. 15, 2025
Special Funds Window (SFW)	Sep. 18, 2025	Ministry of Finance of the Republic of Uzbekistan	Oct. 16, 2025	Türkiye	Sep. 16, 2025
Economics Department	Sep. 17, 2025	World Bank Uzbekistan Office (cofinancier)	Oct. 17, 2025	Bangladesh	Sep. 11, 2025
AIIB's new health strategy	Sep. 1, 2025	Uzbekistan Banking Association	Oct. 17, 2025	Uzbekistan	Sep. 11, 2025
Portfolio Management Department	Oct. 29, 2025	World Bank Jakarta Office	Oct. 20, 2025	Philippines	Sep. 11, 2025
Legal Department	Oct. 29, 2025	Indonesian Micro and Small Businesses Association (Hipmikindo)	Oct. 20, 2025	Viet Nam	Sep. 19, 2025
Rachid Benmessaoud (SPB)	Oct. 30, 2025	Indonesia Ministry of Health – Office of Bureau of Planning and Budgeting	Oct. 21, 2025	Indonesia	Sep. 17, 2025
Risk Management Department	Nov. 11, 2025	Indonesia Ministry of Finance	Oct. 22, 2025	China	Sep. 19, 2025
CRF working group	Oct. 24, 2025	ADB Jakarta Office	Oct. 22, 2025		
		Ministry of Health of Uzbekistan	Oct. 24, 2025		
		National Bank of Uzbekistan	Oct. 24, 2025		
		Beijing Municipal Government	Oct. 27, 2025		
		Chongqing Municipal Government	Oct. 27, 2025		
		Maldives Ministry of Finance and Planning	Oct. 29, 2025		

H. REFERENCES

1. AIIB. 2021. *AIIB 2020 Annual Report*. AIIB, Beijing. bit.ly/4eGG5TY
2. AIIB. 2024. *Final Review of the COVID-19 Crisis Recovery Facility*. AIIB, Beijing. bit.ly/4de8lqt
3. OECD-DAC. 2010. *Quality Standards for development evaluation*. bit.ly/49o1Sw0
4. AIIB. 2020. *Paper on the Decisions to Support the AIIB COVID-19 Crisis Recovery Facility*. bit.ly/432UCSE
5. AIIB. 2022. *Extension of the Duration of the COVID-19 Crisis Recovery Facility*. bit.ly/432ULFG
6. AIIB. 2022. *Extension of the COVID-19 Crisis Recovery Facility*. bit.ly/42qk2cP
7. AIIB. 2024. *Supplementary Note on Project-Level Results Frameworks for Projects Considered under the COVID-19 Crisis Recovery Facility*.
8. AIIB. 2020. *Guidance Note on Liquidity Financing under the COVID-19 Crisis Recovery Facility through Financial Intermediaries*.
9. WBG. 2020. *World Bank Group Announces Up to $12 Billion Immediate Support for COVID-19 Country Response*. bit.ly/4tyrLR0
10. ADB. 2020. *ADB Announces $6.5 Billion Initial Response to COVID-19 Pandemic*. bit.ly/4uCRHfe
11. AIIB. 2020. *AIIB Looks to Launch USD5 Billion COVID-19 Crisis Recovery Facility*. bit.ly/4dEnHtC
12. EBRD. 2020. EBRD unveils €1 billion emergency coronavirus financing package. bit.ly/3R2MizO
13. AIIB. *AIIB Articles of Agreement*. bit.ly/3OUjMzG
14. AIIB. 2019. *Guidance Note on Project-Level Results Frameworks*. bit.ly/3OXNsvP
15. AIIB. 2020. *Supplementary Note on Project-Level Results Frameworks for Projects Considered under the COVID-19 Crisis Recovery Facility*.
16. AIIB. 2023. *AIIB's Approach to Emergency Response*. bit.ly/4dedFy4
17. AIIB. 2025. *2024 AIIB Annual Report*. bit.ly/3PCpwOC
18. AIIB. 2020. *Guidance Note on Liquidity Financing Under CRF*.
19. WBG. 2020. *Private Participation in Infrastructure 2020. Half Year Report*. bit.ly/48RfJe7
20. IMF. 2020. *Chapter 2 Public Investment for the Recovery*. bit.ly/42t18lC
21. IMF. 2020. *Reform of the Policy on Public Debt Limits in IMF-Supported Programs*. bit.ly/4tYWDeu
22. ADB. 2021. *COVID-19 and Public–private Partnerships in Asia and the Pacific: Guidance Note*. bit.ly/49vq5R5
23. AIIB. 2025. *Auditor's Report and Financial Statements for the Year Ended Dec. 31, 2024*. bit.ly/4nyadDd
24. Global Emerging Markets Risk Database. 2024. *Sovereign and Sovereign-guaranteed Lending*. bit.ly/4d4rlgn
25. Boosting MDBs' investing capacity. 2022. *An Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks*. bit.ly/4wnPgyX
26. UNAIDS. 2020. *Rights in the time of COVID-19: Lessons from HIV for an effective, community-led response*. bit.ly/3Pjwl7I

27. Palinkas, L.A., Horwitz, S.M., Green, C.A. et al. 2015. *Purposeful Sampling for Qualitative Data Collection and Analysis in Mixed Method Implementation Research.* Adm Policy Ment Health 42, 533–544. bit.ly/4u7sudd
28. Ahmad, M., Wilkins, S. 2025. *Purposive sampling in qualitative research: a framework for the entire journey.* Qual Quant 59, 1461–1479. bit.ly/4d9PYXy
29. The World Bank. 2023. *World Development Report 2022, Chapter 1: Emerging Risks to the Recovery.* bit.ly/4wmb5Pc
30. John C Bluedorn, Francesca Caselli, Niels-Jakob H Hansen, Ippei Shibata, and Marina Mendes Tavares. 2021. *Gender and Employment in the COVID-19 Recession: Evidence on "She-cessions".* IMF. bit.ly/4eHskEI
31. UN Women. 2020. *Whose time to care: Unpaid care and domestic work during COVID-19.* bit.ly/4fga7ho
32. OECD. 2021. *OECD Economic Surveys: Hungary 2021*. bit.ly/432WCKE
33. OECD. 2024. *OECD Economic Surveys: Hungary 2024*. bit.ly/3RAuPP6
34. Martin McKee. 2020. *Learning from success: how has Hungary responded to the COVID pandemic? Geoscience.* bit.ly/3RyiWJw
35. Oxford Constitutional Law. 2023. *Hungary: Legal Response to COVID.* bit.ly/42ths5K
36. Lily Bayer. 2020. *Politico. Hungarian doctors question coronavirus response.* bit.ly/3PDJsRf
37. European Commission. 2021. Hungary Country Health Profile 2021. bit.ly/4u10PdL

The Independent Evaluation Function of the Asian Infrastructure Investment Bank (AIIB) conducts higher-plane evaluations of policies, strategies, and thematic and corporate initiatives to inform the Board and Management on key strategic issues. This report presents the findings of an evaluation of the COVID-19 Crisis Recovery Facility. Launched in April 2020 with an initial duration of 18 months and financing of USD5 billion, the Facility was designed to support AIIB Members and clients in addressing the economic, financial, and public health impacts of the pandemic. Following two rounds of expansion and extension, total financing increased to USD20 billion, with implementation extended through Dec. 31, 2023. The Facility ultimately supported 68 projects, amounting to USD18.5 billion across 26 Members. This evaluation assesses the performance of the Facility based on evidence from document reviews, case studies and site visits, and interviews with key stakeholders. It highlights key lessons and offers recommendations to strengthen AIIB's future operations and response mechanisms.

ASIAN INFRASTRUCTURE INVESTMENT BANK

aiib.org/ceiu