



UDENRIGSMINISTERIET

STRATEGY FOR DENMARK'S ENGAGEMENT WITH THE REGIONAL DEVELOPMENT BANKS (2025-2030)

Table of contents

1. INTRODUCTION.....	3
1.1. OBJECTIVE OF THE ORGANISATION STRATEGY.....	3
1.2. REGIONAL DEVELOPMENT BANKS' ROLE WITHIN THE MULTILATERAL SYSTEM.....	3
1.3. DENMARK'S ROLE IN THE REGIONAL DEVELOPMENT BANKS.....	3
2. STRATEGIC PRIORITIES	4
2.1. REFORM OF THE REGIONAL DEVELOPMENT BANKS.....	5
2.2. CLIMATE ACTION AND JUST, GREEN TRANSITION.....	5
2.3. FRAGILITY AND RESILIENCE.....	6
2.4. PRIVATE CAPITAL MOBILISATION	6
3. OVERVIEW OF THE REGIONAL DEVELOPMENT BANKS	7
3.1. FINANCING AND BUSINESS MODEL AND DENMARK'S SHAREHOLDING	7
3.1. DECISION-MAKING BODIES AND DENMARK'S CONSTITUENCIES	7
4. LESSONS LEARNT ACROSS THE REGIONAL DEVELOPMENT BANKS.....	8
5. ASSESSMENT OF THE REGIONAL DEVELOPMENT BANKS	9
5.1. AFRICAN DEVELOPMENT BANK GROUP	9
5.1.1. <i>Mandate and structure.....</i>	9
5.1.2. <i>Denmark's engagement with the African Development Bank Group.....</i>	10
5.1.3. <i>Performance.....</i>	11
5.1.4. <i>Risks and assumptions.....</i>	12
5.2. ASIAN DEVELOPMENT BANK.....	12
5.2.1. <i>Mandate and structure.....</i>	12
5.2.2. <i>Denmark's engagement with the Asian Development Bank.....</i>	13
5.2.3. <i>Performance.....</i>	14
5.2.4. <i>Risks and assumptions.....</i>	15
5.3. INTER-AMERICAN DEVELOPMENT BANK GROUP.....	15
5.3.1. <i>Mandate and structure.....</i>	15
5.3.2. <i>Denmark's engagement in the Inter-American Development Bank Group.....</i>	16
5.3.3. <i>Performance.....</i>	16
5.3.4. <i>Risks and assumptions.....</i>	17
5.4. ASIAN INFRASTRUCTURE INVESTMENT BANK.....	17
5.4.1. <i>Mandate and structure.....</i>	17
5.4.2. <i>Denmark's engagement with the Asian Infrastructure Investment Bank</i>	18
5.4.3. <i>Performance.....</i>	18
5.4.4. <i>Risks and assumptions.....</i>	20
6. MONITORING.....	20
7. ANNEXES.....	22
7.1. EXPECTED BUDGET 2025-2030.....	23
7.2. CONTRIBUTIONS 2020-2024	24
7.3. LIST OF DENMARK'S CONTRIBUTIONS TO TRUST FUNDS	25
7.4. TERMS OF REFERENCE FOR MDB CONTACT GROUP	26
7.4.1. <i>Objective.....</i>	26
7.4.2. <i>Format.....</i>	26
7.4.3. <i>Scope of work</i>	26
7.4.4. <i>Management and members.....</i>	26
7.4.5. <i>Timing of meetings.....</i>	26

Abbreviations

AfDB	- African Development Bank
AfDF	- African Development Fund
AIIB	- Asian Infrastructure Investment Bank
AsDB	- Asian Development Bank
AsDF	- Asian Development Fund
CAF	- Capital Adequacy Framework
DAC	- Development Assistance Committee
EBRD	- European Bank for Reconstruction and Development
EIB	- European Investment Bank
EIFO	- Export and Investment Fund of Denmark
ETM	- Energy Transition Mechanism
EU	- European Union
FCAS	- Fragile and conflict-affected states
G7	- Group of 7
G20	- Group of 20
GCCI	- General Callable Capital Increase of the African Development Bank
GCI-VII	- Seventh General Capital Increase of the African Development Bank
HDP Nexus	- Humanitarian, Development and Peace Nexus
IBRD	- International Bank for Reconstruction and Development
ICRC	- International Committee of the Red Cross
IDB	- Inter-American Development Bank
IDB Invest	- Inter-American Investment Corporation
IF-CAP	- Innovative Finance Facility for Climate in Asia and the Pacific
IFDK	- Impact Fund Denmark
IMF	- International Monetary Fund
KLIMA	- Department for Green Diplomacy and Climate, Ministry of Foreign Affairs
LAC	- Latin America and the Caribbean
LTS	- Long-Term Strategy
MDB	- Multilateral Development Bank
MDRI	- Multilateral Debt Relief Initiative
MFA	- Ministry of Foreign Affairs of Denmark
MOPAN	- Multilateral Organisations Performance Assessment Network
MULTI	- Department for Multilateral Cooperation and Policy, Ministry of Foreign Affairs
NDC	- Nationally Determined Contributions
RDB	- Regional Development Bank
SDGs	- Sustainable Development Goals
SDR	- Special Drawing Rights
SIDS	- Small Island Developing States
UA	- Unit of Account
UN	- United Nations
UNHCR	- Office of the United Nations High Commissioner for Refugees
WBG	- World Bank Group

1. Introduction

1.1. Objective of the organisation strategy

This organisation strategy sets the strategic direction for Denmark's engagement with the Regional Development Banks (RDBs) from 2025 to 2030. It covers the African Development Bank Group (AfDB), the Asian Development Bank (AsDB), the Inter-American Development Bank Group (IDB), and the Asian Infrastructure Investment Bank (AIIB). While the RDBs differ in their geographical mandates, their operating models and the avenues for Denmark to assert influence are largely comparable. The strategy serves as a tool for effective Danish engagement, coordination, and prioritisation across institutions, themes, and the Danish government.

1.2. Regional Development Banks' role within the multilateral system

RDBs are central to the multilateral system and play a vital role alongside global multilateral institutions such as the WBG and the United Nations (UN) system in fostering sustainable development, reducing poverty, and achieving the Sustainable Development Goals (SDGs) and the Paris Agreement.

While official development assistance declines, development and climate financing needs remain high. Many developing countries face limited fiscal space, debt burdens, high capital costs, and constrained access to international markets. The RDBs are an important part of the solution to meet these challenges and must navigate growing expectations in a context of growing complexity and overlapping global crises, including climate change and fragility. Furthermore, geopolitical tension and global volatility add to the complexity of operations and funding and puts pressure on agendas such as climate action and inclusivity.

RDBs have clear comparative advantages to other multilateral organisations and international financial institutions. They combine regional ownership, contextual knowledge, political traction, and financing capacity to support development and climate priorities of national governments in low- and middle-income countries. They are uniquely positioned to deliver affordable, long-term development finance as loans and grants. They mitigate risks, crowd in private capital, and provide tailored policy and technical advice to client countries. The leverage offered by their financing models enables them to amplify impact and deliver on global and regional public goods. By aligning operations with national development strategies, nationally determined contributions (NDCs), and long-term climate strategies (LTSs), RDBs act as key agents of transformative change. Their country-level strategies, thematic policies, and partnerships with governments, multilateral institutions, commercial banks, export credit agencies, and private investors further strengthen their comparative advantages and confirm RDBs' value proposition as central actors in advancing sustainable development, job creation and climate action as well as in providing access to financing to countries most in need.

RDBs are increasingly expected to do more and to evolve as part of the MDB reform agenda. In 2022, G7 and G20 called on the MDBs to better utilise their potential for mobilising additional development and climate finance and to further engage in rising global challenges such as climate change. The RDBs are all contributing to the reform agenda with different levels of progress. A critical factor in making sure the RDBs can deliver on expectations is continued political and financial support from their shareholders.

1.3. Denmark's role in the Regional Development Banks

Danish engagement with the RDBs is pursued through various avenues and levels translating priorities into operational outcomes. Given geopolitical tension, global volatility, and the changing aid architecture, Denmark works both bilaterally and on the Boards of the RDBs to counter the unwanted effects of pressure on multilateralism and key Danish agendas such as climate action. Among the RDBs, AfDB is a particular Danish priority.

First, Denmark takes part in multi-country constituencies, with close Nordic cooperation at the core, in each RDB that ensure representation on the banks' Boards through a joint seat. Apart from the AIIB, all constituencies have offices at the banks' headquarters where Danish officials and/or counterparts from like-minded countries manage day-to-day engagement and advance common priorities on the Board to uphold the integrity of the banks and to ensure responsiveness to its shareholders. Denmark prepares annual strategic priorities with pertinent countries within each constituency to guide its engagement and maximise policy and operational influence. Coordination also takes place across priorities, cross-cutting issues, and approaches across banks, notably through the annual Nordic-Baltic MDB meetings at technical level, where the Nordic Development Fund also participates. Since Denmark collaborates closely with a wide range of countries, the constituency work also helps to underpin bilateral cooperation.

Second, in addition to Board-level engagement, Denmark exerts bilateral influence through e.g. participation in annual meetings, negotiations related to capital increases and fund replenishments as well as high-level and technical consultations with bank officials at headquarters or in Denmark.

Third, Danish embassies play an active role in local-level coordination and in providing country input to help inform Denmark's position within the constituencies on Board discussions and can engage in donor dialogues with the RDBs at country-level. Broader coordination on RDBs will take place within the internal MDB contact group, *cf. annex 6.4*. Civil society organisations, in Denmark and abroad, further inform Denmark's positions.

Fourth, Denmark works to strengthen coordination among EU shareholders and like-minded non-EU partners. As no RDB includes all EU countries, such coordination is organised flexibly within each institution. Denmark actively contributes to building common positions while recognising the EU's growing engagement with the RDBs through cooperation agreements and institutional pillar assessments.

Fifth, where relevant, Denmark actively promotes opportunities for Danish companies in alignment with development objectives and local needs. The RDBs increasingly welcome the integration of innovative Danish solutions, particularly in areas such as green technology and water. Denmark supports private sector engagement with the banks and works to strengthen connections between Danish businesses and procurement or financing opportunities within the RDB system. Promoting Danish approaches to systemic transformation and just transition holds great potential to pave the way for Danish technologies and solutions and must be done in close collaboration with Danish companies, business organisations and embassies.

Sixth, Denmark has the possibility to second experts to the RDBs to underpin Danish priority areas and commercial interests as well as get an improved institutional understanding of the banks and country operating contexts. There are currently no Danish secondees. During this OS period, Denmark will actively look further into this possibility, including through the RDBs young professional and trainee programmes, as this is an important way into the RDB system and to getting higher positions later on

2. Strategic priorities

Denmark brings a distinct value proposition to its partnerships with the RDBs. Its approach combines reform advocacy, climate ambition, a track record in fragile contexts, and leadership in mobilising private capital. By combining financial contributions with political advocacy, technical expertise, and close collaboration with like-minded partners, Denmark helps amplify RDBs' comparative advantages and ensure translation of their value proposition into real-world impact. Denmark applies a differentiated approach to the RDBs to account for different mandates, geography, and client country profiles.

The following four priorities will guide Denmark's strategic partnership with the RDBs. To streamline Denmark's engagement across MDBs, the priorities are similar to the priorities of the Danish organisation strategy for the WBG (2025-2030). The priorities also align with priorities set out in *A Changing World* (2025), *Africa's Century* (2024) and *Action Plan for Active and Effective Economic Diplomacy* (2025).

2.1. Reform of the Regional Development Banks

Denmark supports reform of the MDBs and the international financial architecture, drawing on the G20 roadmap for *Bigger, Better, and More Effective MDBs* and recommendations for revising the RDBs' capital adequacy frameworks to increase lending capacity as well as MOPAN's recommendations on institutional reform. Denmark consistently presses for institutional efficiency, financial innovation (e.g. hybrid capital, guarantees), stronger procurement standards, and greater RDB collaboration to ensure impactful and efficient RDBs. Denmark will work to advance the following agendas:

- Continued institutional reforms to enhance each bank's operational efficiency and catalytic role in regional development, including digitalisation and implementation of artificial intelligence.
- More ambitious contributions to global and regional public goods, particularly climate, energy, biodiversity and food systems.
- Support for financial innovation, e.g., hybrid capital instruments or guarantees, to expand lending capacity and crowd in private capital.
- More systematic collaboration among RDBs and with the WBG, the EU, the UN, and other partners, to reduce fragmentation, ensure synergies, and improve delivery at country and regional levels.
- A strengthened Danish engagement model with RDBs across the MFA, Embassies, and Danish stakeholders, to improve strategic coherence and impact.
- Promoting RDB procurement systems with stronger quality and sustainability criteria and focus on life-cycle costs to improve quality and leverage the value proposition of Danish solutions.
- Invite RDBs to pertinent sector-related business events, expos, and conferences organised by Denmark.

2.2. Climate action and just, green transition

All four RDBs play a critical role in the global fight against climate change and its consequences, and in securing sufficient financing to meet the SDGs and the Paris Agreement. Across the RDBs, climate financing is generally increasing. Denmark adds credibility to the climate agenda through ambitious national policies, expertise in renewable energy and adaptation, and active participation in climate-focused discussions and trust funds. Denmark leverages this to push for increased climate ambition, just transitions, and integration of climate and biodiversity into country strategies. Denmark will prioritise:

- Ensure high climate finance targets with adequate prioritisation of adaptation finance and a strong push for improved quality, transparency, reporting, and accountability in climate spending.
- Active engagement in the formulation and implementation of the RDBs climate and energy strategies and action plans, while ensuring close alignment with beneficiary countries' NDCs and LTSs as well as alignment with the Paris Agreement. Denmark will also continue to advocate for a phase-out of fossil fuel investments.
- Active advocacy for evidence-based approaches to climate action with focus on development impact.
- Stronger integration of climate and biodiversity considerations in country programming.
- Emphasis on youth dimension and gendered perspectives to climate change and action as well as the fragility-climate change nexus.
- Ensuring a just transition including job creation.

2.3. Fragility and resilience

Denmark will continue to push RDBs on stronger action in FCAS, prioritising prevention, resilience, human rights, and women's empowerment, recognising that over 60% of the world's extreme poor are projected to live in fragile contexts by 2030. This includes:

- Supporting the *staying engaged* approach while ensuring relevant safeguards.
- Supporting fragility strategies with clear risk management tools and inclusion of cross-cutting drivers such as climate, displacement, gender inequality and food insecurity.
- Strengthening collaboration with other development actors, notably the UN, including on support to durable solutions to forced displacement.
- Supporting private sector development and job creation, including taking into consideration key conditions for private sector resilience in crisis, e.g. access to energy and financial services.
- Supporting enhanced incentives for staff to work in FCAS settings, and enhancing the use of data and analysis to shape programming.
- Promoting regional peacebuilding and conflict prevention initiatives, including climate-security nexus programs.
- Ensuring integration of human rights, youth dimensions, and women's full, meaningfully equal, and safe participation into fragility responses.
- Promoting preventive actions, especially structural prevention such as but not limited to land reform, inclusive economy, natural resource management.

2.4. Private capital mobilisation

Denmark brings unique instruments and experience, including through Impact Fund Denmark (IFDK) and the Export and Investment Fund of Denmark (EIFO), to complement RDB platforms, through e.g. guarantee instruments. This strengthens RDBs' ability to crowd in private investment, reduce risk, accelerate SDG and climate finance delivery and create jobs. Denmark will pursue a bold agenda for private capital mobilisation with RDBs by:

- Supporting the design and scaling of instruments to de-risk private investments, including blended finance, guarantees, and equity mechanisms.
- Advocating for the expansion and streamlining of guarantee platforms.
- Promoting tools to reduce currency and political risk, improve data transparency, and shorten investment timelines.
- Pushing for a clearer division of labour and stronger coordination between public and private sector arms within each RDB, including through joint MDB country diagnostics. Supporting institutional reforms and incentive structures to enhance collaboration.
- Mainstreaming private sector engagement in country strategies and across all instruments, including policy reforms, market building regulations, capacity development, and pipeline development.
- Documented and measurable financial value-addition in line with SDGs and climate finance gaps.
- RDB guidance and support to strengthen domestic capital markets, foreign exchange risk hedging instruments, and fixed-income standards like sustainable bond taxonomy capacity building of member countries.
- RDB policy advisory on cost-of-doing business reforms to facilitate country-level policy reforms leading to a more conducive business environment.
- Supporting higher risk willingness in PCM for sustainable investments by aiming towards first loss and/or junior positions and equity as instrument over debt. Creating a separate asset management structure like AfDB's Africa50¹ as a model to follow for other RDBs.

¹ Africa50 is an infrastructure investment platform that was founded by the AfDB and African states.

3. Overview of the Regional Development Banks

3.1. Financing and business model and Denmark's shareholding

The RDBs are financed through a combination of paid-in and callable capital provided by their shareholders, who in return receive shares and voting rights on the banks' Boards, *cf. table 2*. This capital base is leveraged on international financial markets, enabling the RDBs to extend affordable financing to their clients in great numbers, *cf. table 1*. In addition, AfDB and AsDB administer concessional development funds dedicated to the poorest and most vulnerable countries, which are replenished on a regular basis.

The banks offer a range of financing instruments tailored to country needs and contexts. These include: i) investment lending, which finances goods, works, and services for specific projects; ii) policy-based lending, which provides budget support linked to the implementation of agreed policy reforms; iii) results-based lending, where funds are disbursed upon achievement of defined programme results; and iv) technical assistance, which supports project preparation, knowledge sharing, and capacity development.

Table 1: Lending volume of the Regional Development Banks, 2024 (USD billion)

Institution	Commitments	Disbursements
AfDB ²	11.5	6.9
AsDB	24.3	18.6
IDB	16.0	9.0
IDB Invest	6.5	8.4
AIIB	8.4	6.7

Table 2: Denmark's shareholding and voting rights

Institution	Shareholding	Voting power	Admission	Board	DAC-ODA
AfDB	1.05%	1.160%	1983	Resident	100%
AfDF	-	1.148%	1972	Resident	100%
AsDB	0.34%	0.561%	1966	Resident	100%
AsDF	-	0.43%	1974	Resident	100%
IDB	0.171%	0.171%	1997	Resident	100%
IDB Invest	0.6%	0.6%	1997	Resident	100%
AIIB	0.3808%	0.5031%	2016	Non-resident ³	85% ⁴

Source. RDBs' annual reports and OECD-DAC⁵.

3.1. Decision-making bodies and Denmark's constituencies

The charters of the RDBs vest all powers of the institutions to the highest decision-making body, the Board of Governors, comprising one representative and one alternate from each shareholder. The Board of Governors formally meets annually. Their responsibilities include admitting new members, reviewing the banks' capital stocks, voting on changes to the charters and electing the President. The Board of Governors delegates most of its powers to the Board of Directors comprising of Executive Directors that represent their constituencies and oversee the banks' strategic directions and general operations, taking key decisions concerning policies and strategies, approving operations, clearing financial accounts, and approving the annual work programme and budget.

² Converted to USD from the AfDB's reporting currency, the Unit of Account (UA), which corresponds to the Special Drawing Right (SDR), using the August 2025 exchange rate of UA 1 = USD 1.3549. [AfDB August 2025 Exchange Rates](#).

³ Unlike the resident boards of other MDBs, the AIIB operates with a non-resident Board of Directors, which does not sit permanently at headquarters but instead meets periodically. As such, there are no constituency offices.

⁴ AIIB lends primarily to middle-income countries reducing its ODA eligibility compared to other MDBs.

⁵ [DAC list of ODA-eligible international organisations, annex 2](#).

Table 3: Denmark's Governors and Alternate Governors

Institution	Governor	Alternate Governor
AfDB	Minister for Foreign Affairs	State Secretary for Development Policy
AsDB	Under-Secretary for Development Policy	Multilateral Director
IDB	Under-Secretary for Development Policy	Multilateral Director
AIIB	Under-Secretary for Development Policy	Multilateral Director

Table 4: Denmark's constituencies

	AfDB Group	AsDB	IDB	IDB Invest	AIIB
<i>Denmark</i>					
Austria					
Canada					
Finland					
France					
Hungary					
Iceland					
India					
Ireland					
Netherlands					
Norway					
Poland					
Romania					
Serbia					
Spain					
Sweden					
Switzerland					
United Kingdom					

4. Lessons learnt across the Regional Development Banks

Experience from Denmark's engagement across the RDBs has shown that Denmark can exert meaningful influence in banks despite its modest voting share, provided that its engagement is deliberate, targeted, and based on strong partnerships and alliances within and across constituencies.

Denmark's voice carries weight when it is backed by clear, evidence-based proposals, and pursued in close coordination with like-minded shareholders. Concrete examples include Denmark's role in advancing a stronger focus on climate action and adaptation finance within the AfDB, where Denmark, working with other climate-ambitious shareholders, successfully pressed for increased allocations to renewable energy and adaptation finance in the AfDF-16. Likewise, at the recent AsDF 14 replenishment negotiations, Denmark has been part of efforts to integrate more robust climate finance targets.

Lessons learnt also highlight that to engage strategically across RDBs within available resources, Denmark must focus on Danish priorities and strengths, recognising that other likeminded shareholders provide valuable input to strengthen the RDBs' visions and operations in domains not identified as Danish core priorities. Selective Danish engagement is particularly relevant given that RDBs play critical roles in many sectors central to Danish priorities, including climate and energy, fragility, and private sector mobilisation. This approach have led to a selective rather than all-embracing approach, with influence strongest in areas where Denmark has invested sustained policy attention, such as climate, and weaker in areas like

digitalisation, infrastructure, and agriculture. This stresses the importance of prioritisation and avoiding fragmentation of efforts.

From the perspective of the institutions themselves, the recent MOPAN assessments provide several interlinked findings that resonate across all RDBs. These include the need for deeper presence and impact at the country level, improved internal coherence like AfDB's One Bank approach, institutional reform to ensure improved efficiency, quality, and learning and evaluation, stronger MDB coordination and partnerships with civil society and the UN, and more effective mobilisation of private capital. As such, the overall MDB reform agenda as well as Denmark's priorities within this agenda strongly align with MOPAN's assessments. Fragmentation and internal silos remain challenges, and client countries still face difficulties navigating complex institutional procedures. Denmark's engagement has therefore benefited when it has been able to tie policy dialogue to specific institutional reform commitments such as AfDB's decentralisation model or AsDB's Strategy 2030 implementation rather than broad thematic priorities alone. Denmark has benefited from utilising capital increases and replenishment discussions to further the reform agenda, e.g. securing accelerated policy commitments during the General Callable Capital Increase initiated in 2024.

Recent geopolitical developments and changes in senior management underline the need for continued vigilance regarding governance and institutional affairs. Centralised decision-making and instances where Board decisions or institutional targets are challenged risk undermining Denmark's priorities and influence. Even priorities that seemed uncontested only a short time ago, such as Paris alignment, are now increasingly subject to political debate and pushback. To navigate these dynamics, Denmark must proactively engage on governance issues, safeguard Board prerogatives, and take into account the evolving geopolitical realities while building alliances with traditionally and non-traditionally likeminded shareholders

In sum, lessons learned point to three key factors for Danish engagement: i) prioritisation and focus, recognising capacity constraints, ii) evidence-based and action-oriented recommendations that resonate with the banks' strategic reform agendas, and (iii) strong coalition-building within constituencies to amplify Denmark's positions. These insights will inform Denmark's forward-looking strategy to ensure that its influence in the RDBs remains impactful, despite limited voting power and capacity constraints, and aligned with broader Danish priorities on reform, climate, fragility, and private capital mobilisation.

5. Assessment of the Regional Development Banks

5.1. African Development Bank Group

5.1.1. Mandate and structure

The African Development Bank (AfDB) was established in 1964 to provide non-concessional financing for African middle-income countries. In 1972, the African Development Fund (AfDF) was created with Denmark as founding member, to provide increased concessional resources to the poorest and least developed client countries. Some countries qualify for blended resources from both entities. Headquartered in Abidjan, Côte d'Ivoire, the Bank maintains regional offices in 41 African countries.

In its Ten-Year Strategy (2024-2033), the AfDB sets out a vision for "a prosperous, inclusive, resilient, and integrated continent." To achieve this vision, five operational priorities are identified, i.e. i) energy access, ii) food security, iii) industrialisation, iv) regional integration, and v) livelihoods, with gender equality, youth, climate action, fragility, and economic governance as cross-cutting priorities. The AfDB delivers not only on the SDGs and the Paris Agreement but also on Agenda 2063 of the African Union.

AfDB, considered a truly African institution, has 81 member countries, including the 54 African countries and 27 non-regional members and maintains an ownership structure granting 60% of the voting rights to African shareholders, while non-regional members hold 40%. Based on voting power, the largest shareholders are Nigeria (9.3%), the United States (6.5%), Egypt (6.3%), Japan (5.4%), and Algeria (5.3%). Denmark's voting power is 1.160%, as listed in table 2.

AfDB is the only African-based AAA-rated financial institution. This is, however, not yet a standalone rating but underpinned by its AAA shareholders, including Denmark. Following the 2023 US downgrade from AAA to AA+ by Fitch, Denmark increased its callable capital to the AfDB significantly together with other shareholders, effective from 2025. AfDB expects to achieve a standalone AAA credit rating in the coming years. In 2024, the AfDB reported net income of UA¹ 248 million and UA 2,005 million in revenue. The AfDB has done significant work to meet G20 CAF recommendations, including launching its hybrid capital instrument for private investors and work to extend the instrument to its shareholders.

5.1.2. Denmark's engagement with the African Development Bank Group

AfDB is a trusted partner to Denmark and is recognised internationally as a leading development institution in Africa, including as incubator for institutions like Africa50 and the African Guarantee Fund. Denmark committed DKK 785 million to AfDF-16 (2023–2025), contributed DKK 505 million to AfDB's Seventh General Capital Increase (GCI-VII) (2020), and committed approximately DKK 9 billion in callable capital under the General Callable Capital Increase (GCCII) from 2025. Denmark also supports several trust funds and the Multilateral Debt Relief Initiative (MDRI) via the AfDF⁶. IFDK intends to engage with the AfDB on providing a climate-focused guarantee. Denmark participates actively in the Nordic-Indian-Irish constituency, taking up an advisory seat in 2026–2029. Denmark is well-respected within the constituency and meets regularly with the AfDB President and senior management. Denmark held the position as Executive Director 2022–2025. From 2020–24, Denmark won 22 contracts worth 5.07 million USD¹. The AfDB's main sectors for investment are transport, energy, and social.

Denmark has consistently positioned itself as a champion of MDB reform. From setting conditional criteria during GCI-VII, to accelerating reforms under the GCCII, and now pushing efficiency, learning, and delivery in AfDF-17 negotiations, Denmark advocates for innovation—such as hybrid capital instruments—and stronger procurement standards with focus on sustainability and life-cycle costs.

With AfDB committing at least 40% of approvals to climate finance and delivering even more ambitiously, including with a strong focus on adaptation, Denmark is well placed to deepen this agenda. Through both Denmark's convening power in the constituency and the Danish financial support to the AfDB trust fund "Sustainable Energy Fund for Africa" (SEFA), Denmark mobilises expertise and private actors to advance a just, green transition.

With 21 African countries considered FCAS, and 12 countries currently experiencing active armed conflict⁷, AfDB plays a key role in supporting FCAS, especially in preventing instability and addressing root causes of migration. AfDB is among the MDBs proportionally allocating most resources to FCAS. Denmark is well-positioned to further the agenda, including through replenishment negotiations, to support FCAS and staying engaged with pertinent safeguards in place.

Denmark supports AfDB's comparative advantage in mobilising private capital through blended finance, risk-reduction tools, Africa50¹, and local currency financing. This aligns with IFDK's and EIFO's efforts.

⁶ As part of the MDRI, Denmark has committed to relief debt via the AfDF until 2054.

⁷ World Bank Group. [List of Fragile and Conflict-affected Situations](#) (2025) and [21st-Century Africa](#) (2025).

The newly elected AfDB President (2025–2030), Mauritania’s Sidi Ould Tah, offers opportunities for advancing common priorities on reform, efficiency, governance and delivery.

5.1.3. Performance

Context

AfDB operates in a challenging environment with diverse development needs, including climate vulnerabilities, significant infrastructure gap and lack of energy access, and constrained fiscal situations while domestic markets and regulation are often not conducive for private investment. While progress has been made in some areas such as economic growth, regional integration, and poverty reduction, many countries continue to grapple with fragile governance, debt burdens, and adverse effects of climate change and conflict. The continent’s vast potential, including a young and growing population and abundant national resources, offers important opportunities for inclusive and sustainable development. AfDB’s Ten-Year Strategy addresses these complex dynamics drawing on strengths in regional integration, fragility, climate financing, and infrastructure investment but effective implementation requires selectivity, strategic staffing, and increased operational quality.

Relevance and comparative advantages

AfDB’s relevance rests on: i) legitimacy, ii) innovation, iii) democratic nature, and iv) local knowledge.

Legitimacy is at the centre. AfDB enjoys privileged access to African governments with strong legitimacy and convening power on the continent. AfDB is recognised for understanding and meeting African demands and has an African Union mandate to deliver on the continent’s finance needs. The priorities of the Ten-Year Strategy (“Seizing Africa’s opportunities for a prosperous, inclusive, resilient, and integrated continent”, 2024-2033) and the ownership structure are clear examples on this.

Innovation is part of AfDB’s DNA. The Bank has consistently championed financial innovation to enhance resources for its client countries, an increasingly important strength in a shifting global aid landscape. Its pioneering use of capital markets, blended finance, and new financial instruments underscores its adaptive and forward-looking approach in line with the MDB reform agenda.

AfDB has a democratic governance model which reinforces its credibility. The commitment to inclusivity, accountability, and transparency was exemplified during the election of the new President of the Bank in May 2025. This governance model, combined with strong engagement from both regional and non-regional members, reinforces trust and shared ownership among stakeholders.

Local and regional knowledge is embedded in AfDB which maintains regional offices in more than 40 countries. AfDB is enjoying a comparative advantage in FCAS where it is committed to stay engaged.

Key strategic strengths and weaknesses

MOPAN has identified the following strengths:

- Dynamism and commitments to reforms strengthen fitness-for-purpose and decentralisation.
- Ability to respond swiftly and with agility to needs, including the COVID-19 pandemic.
- Enjoys a privileged relationship with African governments. This translates into a deeper understanding of needs and leadership opportunities at the country level with other partners.
- Delivery of results become more central and has revamped quality improvements.
- Key actor in mobilising private investors, especially for infrastructure finance.
- Commitment to transparency is demonstrated by its first place in the Aid Transparency Index.

MOPAN has identified the following weaknesses:

- Improvements needed to ensure strategic coherence, selectivity, and better resource allocation.
- Reform of business model remain works in progress requiring consolidation. This includes further clarifying roles and responsibility between the countries and the sectors.
- Delays in implementation and disbursements reflect problems with quality-at-entry, unrealistic planning and targets, over-rated implementation capacity, and procurement delays.
- Design of interventions does not systematically apply lessons learned.
- Further progress is needed on protection against sexual harassment.

5.1.4. Risks and assumptions

Contextual

AfDB operates in a complex environment with challenges exacerbated by climate change, fragility, and weak governance structures. The Ten-Year Strategy addresses the complexity and is aligned with the SDGs, Paris Agreement, and Agenda 2063.

Operational

Exposed to various operational risks, including implementation delays, particularly in FCAS, procurement and disbursement bottlenecks, and limited capacity in project implementation units. Many units are understaffed to deliver on objectives and expectations. Traditionally infrastructure focused and with lack of physical presence in FCAS, AfDB encounters operational challenges in these contexts. AfDB continues to address quality, procurement bottlenecks, disbursement challenges, and limited capacity with adequate reform initiatives as part of the overall MDB reform agenda.

Financial

Fiscal constraints and debt burdens in client countries, current volatility in donor funding, and volatile global financial situation affect operations. Organisational budget is contested due to lack of progress on institutional reform. AfDB continues to innovate financially and is on track to achieve a standalone AAA-rating. AfDB has agreed to accelerate institutional reform of the bank. AfDB is seeking to diversify its donor base, including with engagement with Gulf countries and philanthropies, to mitigate volatility.

Institutional

Inadequate uptake of evaluation and audit recommendations undermines learning and accountability and incomplete reforms of strategic staffing and decentralisation stunt strategic operations. AfDB has addressed this with a new quality action plan, strategic staffing and decentralisation proposals being negotiated, and the GCI-VII policy commitments where recently accelerated. The construction of a new headquarter is expected to take place during the tenure of President Tah.

Climate

Africa's high vulnerability to climate change poses a systemic threat to development gains. Climate finance gaps persist. AfDB continues to scale up with emphasis on climate adaptation and mainstreaming.

5.2. Asian Development Bank

5.2.1. Mandate and structure

AsDB was established in 1966 with Denmark as one of its co-founders. In 1974, the AsDF was created, also with Denmark as a founding member. The AsDB lends to low- and middle-income countries, while the AsDF provides grant financing to the region's poorest and most vulnerable countries. Headquartered in Manila, Philippines, the Bank operates through 39 field offices worldwide.

AsDB is mandated to promote social and economic development across Asia-Pacific. Its Strategy 2030 sets out a vision for “a prosperous, inclusive, resilient, and sustainable” region. The 2024 mid-term review of the strategy identifies five priorities: i) climate action, ii) private sector development, iii) regional co-operation and public goods, iv) digital transformation, and v) resilience and empowerment.

The AsDB has 69 member countries, including 50 from the Asia-Pacific region and 19 non-regional members. The largest shareholders are Japan and the United States, each holding 15.6% of total shares. China holds 6.5%, India 6.3%, and Australia 5.8%. Denmark operates and coordinates most policies and initiatives within the *EU Plus Group* which jointly holds 22% of the shares.

AsDB has a standalone AAA credit rating. In 2024, the AsDB reported net income of USD 1,629 million. As of 31 December 2024, the Bank’s outstanding accumulated loan portfolio stood at USD 153.9 billion. The AsDB is significantly expanding its lending capacity, partly in response to G20 recommendations on reforming MDBs’ CAF. The 2015 merger of AsDF’s lending operations into the AsDB increased lending headroom by 40%. In 2023, the Board approved a new operating model and CAF, enabling a further 40% increase in lending capacity equivalent to an additional USD 10 billion per year.

5.2.2. Denmark’s engagement with the Asian Development Bank

Denmark is a committed partner to the AsDB. Denmark has contributed regularly to capital increases of AsDB. To maximise influence, Denmark decided to re-enter the AsDF in 2024 (AsDF 14; 2025-2028) after not having participated in AsDF 13. This re-entering has allowed for concrete, Danish influence on the Fund’s priorities, particularly on the climate action ambition. It also allows for Danish companies to bid on procurement contracts within the framework of the Fund. IFDK participates in the IF-CAP, a new ground-breaking climate finance guarantee, for transformative impact. IFDK’s USD 100 million guarantee allows for USD 450 million in additional climate finance from AsDB to member countries and private capital mobilisation. Denmark is part of the Canadian-Dutch-Irish-Nordic-constituency and currently holds the seat as Alternate Executive Director (2024-2026). The constituency is integral in upholding high standards on climate action, inclusivity among other priorities, particularly as the Bank experiences increased pressure on these agendas. From 2020-24, Denmark won 80 contracts worth 21.02 million USD. The AsDB’s main sectors for investment are water and urban development, agriculture, and transport.

Denmark prioritises financial reform and institutional efficiency, an area in which the AsDB has been a frontrunner, including on leveraging balance sheet innovation, partnerships, and outcome-oriented operation. Denmark also pushes for reforms that strengthen innovation and procurement aligned with sustainability and life-cycle costs.

Denmark supports AsDB’s climate ambition, bringing in Danish expertise on renewable energy, adaptation, and water management. A priority is to promote just, inclusive green transitions in Asia’s rapidly growing economies. AsDB administers several innovative instruments to this end.

The AsDB engagement in FCAS is strong, including in Afghanistan (through third party implementation), Bangladesh, and Pacific SIDS. Denmark supports this, seeing it as central to resilience-building and reducing drivers of instability.

Mobilising private capital is a central AsDB priority and must be strengthened, including through blended finance platforms.

With AsDB under President Masato Kanda, elected in 2025, Denmark sees opportunities to drive reforms and financial innovations but must remain vigilant to sustain the Bank's climate ambition, particularly as the region that both accounts for over half of global emissions and is home to some of the world's most climate-vulnerable countries.

5.2.3. Performance

Context

AsDB operates in a dynamic and complex environment across Asia and the Pacific, characterised by rapid economic transitions, persistent inequalities, climate change risks, and high infrastructure needs. While robust regional growth has lifted millions out of poverty, entrenched vulnerabilities, including climate-induced risks, pose ongoing challenges. The rapid transformation of the region dictates a renewed focus away from traditional infrastructure investments to address the complex challenges of today. AsDB's Strategy 2030 provides a framework for responding to these dynamics, but its implementation requires selectivity and continued organisation adjustments.

Relevance and comparative advantages

AsDB's relevance rests on three elements: i) regional insight, ii) catalytic finance, and iii) climate action.

Regional insight is at the AsDB core. AsDB combines in-depth knowledge with robust financial and technical expertise, enabling it to design integrated, cross-sectoral solutions. AsDB upholds privileged access to Asian and Pacific governments and is a trusted partner for its client countries. Recognising the need to strengthen regional and sub-regional cooperation and to seize opportunities for transboundary benefits and problem-solving, including in relation to energy and water management, it increasingly focuses also on regional cooperation initiatives.

Climate action is a key element of AsDB's current mandate. As a regional leader in climate finance, it has committed USD 100 billion (2019–2030) and aims to allocate over 50% of annual financing to climate action by 2030. Climate priorities are embedded across all operations.

Catalytic finance is embedded in operations, leveraging public and private capital through instruments like the Energy Transition Mechanism (ETM) and IF-CAP. The AsDB One approach and new operating model aim to support more integrated solutions and expanded lending significantly.

Key strategic strengths and weaknesses

MOPAN has identified the following strengths:

- Regular CAF reviews strengthen capital position, increase lending headroom, and incorporate good practices.
- Clear commitment to align operations to the SDGs, including regular reporting.
- One AsDB approach provides foundation for collaboration across regions, sectors and themes.
- Scaling up incentives to support its private sector shift and expand opportunities for investment.
- Results-based management culture and robust corporate reporting.

MOPAN has identified the following weaknesses:

- Lack of transparency on how resource allocation is aligned to strategic priorities and operational needs.
- Limited progress in implementing differentiated solutions through country strategies.
- Environmental and social safeguards are strengthened but needs implementation.
- Private sector operations have not been scaled adequately, particularly in frontier markets.

- Operations are becoming increasingly complex, contributing to implementation challenges.
- Staff supporting cross-cutting issues and new focus areas remain stretched.

5.2.4. Risks and assumptions

Contextual

Political instability and fragility pose risks to project outcomes in FCAS, including SIDS, which are the main beneficiaries of the AsDF. External shocks such as pandemics and financial volatility related to trade relations remain critical considerations for the economic trends in the region. However, the overall importance and relative economic strength of Asia continues to grow.

Operational

Complex, multi-sector projects increase risk of delays and implementation inefficiencies at the same time, large and growing economies provide opportunities for large scale investments alone and together with other MDBs.

Financial

Country exposure as well as increased exposure to high-risk markets and private sector lending can have an impact. However, the risk is manageable given AsDB's AAA rating, strong callable capital, and prudent provisioning

Institutional

Major institutional reform is still being implemented putting pressure on AsDB staff. AsDB has not decentralised sufficiently, particularly to FCAS. Implementation of the new operating models continues with some needs for review already identified.

Climate

Geopolitical shifts have put pressure on AsDB's climate commitments and communication on this, including from within. Climate impact threatens economic growth in a number of Asian countries and project sustainability and require enhanced safeguards. Climate targets and mainstreaming are embedded in institutional strategies and guidelines and client country demand is evident. Enhancing AsDB's climate action will remain a priority for Denmark.

5.3. Inter-American Development Bank Group

5.3.1. Mandate and structure

The Inter-American Development Bank Group consists of three entities: i) IDB, ii) IDB Invest, a legally separate entity responsible for lending to the private sector, and iii) IDB Lab, a trust fund focusing on entrepreneurship. Denmark is only a member of IDB and IDB Invest. Headquartered in Washington, D.C., the United States, the Bank operates through 26 regional offices.

IDB was established in 1959 to promote economic and social development in Latin America and the Caribbean. Its key functions include: i) promoting investment, ii) financing member countries, iii) encouraging better resource utilisation, and iv) providing technical assistance. Today, the Institutional Strategy (2024) mandates IDB to address vulnerabilities and foster transformative social and economic progress in Latin America and the Caribbean (LAC) while actively combating climate change.

IDB Invest was established in 1986 to promote economic development by encouraging the scaling of private enterprises, especially small and medium-scale, thereby supplementing the activities of the IDB. IDB Invest manages all private sector-related functions for the IDB Group.

The IDB Group has 48 members, with 22 being non-borrowing countries. Borrowing countries hold 50,014 % of the voting power at the IDB. The largest single shareholder in both IDB and IDB Invest is the United States (30 % voting share and 15 % voting share, subsequently). Both the IDB and IDB Invest holds a AAA rating. Denmark holds 0.171% voting power in IDB and 0.6% in IDB Invest. In 2024, the IDB's financing reached USD 11.9 billion and IDB Invest achieved USD 8.6 billion in development-related investments.

5.3.2. Denmark's engagement in the Inter-American Development Bank Group

Denmark has previously contributed to capital increases and to the establishment of the IDB Invest as a separate entity, through the transfer of funds from the IDB. The IDB Group has been and continues to be a central long-term development partner for Denmark in the LAC region. In 2025, IFDK expects to provide a USD 100 million climate-oriented guarantee to the IDB. Denmark is part of the Spanish-French-Austrian-Nordic-constituency at the IDB and the Canadian-UK-Swiss-Nordic-constituency in the IDB Invest. The constituency is integral in upholding high standards on climate action, inclusivity among other priorities, particularly as the Bank experiences increased pressure on these agendas. From 2020-24, Denmark won 8 contracts worth 27.98 million USD. The IDB's main sectors for investment are social, transport, and energy.

The IDB Group's leading role in MDB reform and mobilising private capital is a central priority for Denmark. Denmark prioritises financial reform and institutional efficiency, an area in which the IDB has been a frontrunner, including on leveraging balance sheet innovation, partnerships, and private capital mobilisation.

Denmark supports the IDB Group's climate ambition, bringing in Danish expertise on renewable energy, adaptation, and water management. A priority is to promote just, inclusive green transitions in the LAC region, including focus on FCAS.

5.3.3. Performance

Context

In recent years, the IDB has undergone significant changes, both internally and externally, leading to the rebranding of the IDB Invest and IDB Lab. The IDB Group also experienced leadership changes with new Presidents elected in 2020 and 2022. Today, IDB Group is under the leadership of Israeli-Brazilian Ilan Goldfajn (2022-2027).

Externally, the Bank's operations were influenced by the adoption of the SDGs and the Paris Agreement as well as the MDBs' joint vision outlined in "From Billions to Trillions". The LAC region faced significant challenges, including social unrest, environmental impacts, and the COVID-19 pandemic, which had profound health and economic impacts. The pandemic exacerbated pre-existing structural weaknesses in the region and had a systemic effect on the IDB.

Relevance and comparative advantages

The IDB Group's relevance lies in its focused approach to LAC, comprehensive development strategies, and alignment with global agendas, including on climate. Its comparative advantages include regional expertise, strong financial standing, innovative financing mechanisms, technical assistance, collaboration with other MDBs, a focus on innovation, and strong governance.

Key strategic strengths and weaknesses

MOPAN has identified the following strengths:

- Stronger focus on results and development effectiveness, supported by organisational reforms.

- Deep technical expertise and local knowledge, ensuring credible country engagement.
- Recognised convenor across government, private sector, and civil society.
- Results-based management frameworks with feedback loops and impact tools has improved.
- Group-wide diagnostics and strategies supporting more integrated public-private approaches.

MOPAN has identified the following weaknesses:

- Operating procedures remain complex and need streamlining.
- Limited efficiency due to annual budgeting cycles and staffing caps.
- Cross-cutting issues, including gender, are advancing but not yet fully embedded.
- Incentives and tools for partnerships and co-financing insufficiently developed.
- Private sector diagnostics need strengthening; IDB Invest should play a larger role in consultations and strategy development.
- Client feedback and impact measurement could be better integrated in results systems.

5.3.4. Risks and assumptions

Contextual

Fiscal space constraints in borrowing countries may give rise to social and political instability in the region. These risks may be exacerbated by the geopolitical climate.

Operational

Ensuring compliance with environmental and social safeguards is crucial. Failure to adhere to these safeguards can lead to project delays, legal issues, and reputational damage. The IDB has implemented an environmental and social policy framework to mitigate these risks.

Financial

Under the current volatile market conditions, the IDB Group is exposed to both credit risk, market risk and liquidity risks. The Group has a strong Financial Risk Framework and uses financial instruments to hedge against these risks, but market volatility remains a concern.

Institutional

Changes in leadership and governance structures can affect strategic direction and operational efficiency.

Climate

The LAC region is very vulnerable to the physical impacts of climate change, including natural disasters such as hurricanes, floods, and droughts. These events can damage infrastructure, disrupt economic activities, and necessitate costly recovery efforts. Therefore, the ambitions of the IDB Group to continue to provide climate financing is imperative for the regions long term ability to deal with climate changes.

5.4. Asian Infrastructure Investment Bank

5.4.1. Mandate and structure

AIIB was established in 2016 on the initiative of China with Denmark joining as a founding non-regional member. AIIB supports public and private sector infrastructure investments in less developed members and has middle-income countries as its core client base. Compared to other RDBs, the AIIB has limited concessional resources which are funded from donor contributions and external facilities. AIIB is headquartered in Beijing, China, and operates with a leaner organisational structure than other MDBs.

AIIB's mandate is to foster sustainable economic development and connectivity across Asia by investing in infrastructure and other sectors. AIIB maintains a strong focus on Asia. AIIB's charter allows for some

global operations, particularly in cross-border connectivity and climate action with benefits that accrue to Asia, and its investment footprint now spans across Asia, Africa, Europe, and Latin America.

The Bank's Corporate Strategy (2021–2030) defines its mission as “financing infrastructure for tomorrow.” It confirms the Bank's commitment to three principles: i) financial sustainability and sound banking, ii) strong multilateral governance and oversight, and iii) high project standards. It identifies four thematic priorities: i) green infrastructure, ii) connectivity and regional cooperation, iii) technology-enabled infrastructure, and iv) private capital mobilisation.

AIIB has 110 approved members globally, of which 53 are regional and 57 non-regional. On number of members, AIIB is the biggest MDB only exceeded by the WBG. China is the largest shareholder (30.7%), followed by India (8.6%), Russia (6.7%), Germany (4.6%), and South Korea (3.8%). Denmark has 0.38%.

AIIB holds a AAA rating. By the end of 2024, AIIB's total approved financing stood at USD 58.9 billion across 37 countries.

5.4.2. Denmark's engagement with the Asian Infrastructure Investment Bank

Denmark contributed with approximately DKK 500 million when co-founding the AIIB in 2016 and is organised in the wider European constituency, comprising of Hungary, Iceland, Norway, Poland, Romania, Serbia, Sweden, Switzerland, and the United Kingdom as well as Denmark. The AIIB Board of Directors is non-resident, and the AIIB desk officer in Copenhagen serves as the Danish adviser in the constituency. The United Kingdom currently holds the position as Executive Director (2024–2028). Denmark will assume the position as Alternate Executive Director, still based in Copenhagen, from 2026–2028. The constituency coordinates Board interventions with like-minded constituencies but Denmark's role remain limited. From 2016–23, Denmark won one contracts worth 0.1 million USD. The AIIB's main sectors for investment are transport, energy, and water.

From the outset, Denmark has emphasised AIIB's credibility and standards, pushing for transparency, safeguards, and alignment with international best practices. Denmark's role has been to anchor AIIB in a multilateral rules-based framework alongside other shareholders and as of recently to reform along the G20 roadmap for MDB reform. AIIB has been keen to respond to the call to reform.

AIIB has pledged to align all new financing with the Paris Agreement and to allocate at least half of annual approvals to climate finance by 2025. Denmark actively supports this and advocates for strong focus on adaptation, renewable energy, and sustainability as well as strong accounting methodology.

With AIIB positioning itself as a “lean, clean, and green” institution, Denmark promotes its role in mobilising private capital, innovative finance, and co-financing with other MDBs. Denmark particularly values AIIB's potential to advance green infrastructure.

Chinese President-elect Zou Jiayi (2026–2031) will bring the AIIB into its next decade with vision statement closely aligned to Danish priorities, including climate action and MDB reform. China continues to play a leading and driving role in the Bank, holding the Presidency as well as a de facto veto power on the Board.

5.4.3. Performance

Context

AIIB operates in a rapidly evolving infrastructure financing landscape, shaped by urgent climate needs. AIIB is navigating to utilise its capital where it has a competitive advantage moving towards financing

operations on its own having heavily relied on co-financing operations with other MDBs, in particular the AsDB and the WBG. Having celebrated its tenth anniversary, AIIB has matured financially and is developing and implementing appropriate safeguards and mechanisms to protect project-affected people and staff, while upholding expected environmental and social standards. AIIB's Corporate Strategy provides a framework for responding to borrowers' needs, requiring investments to ordinarily align to one of the four thematic priorities outlined above. At the same time, it has proved responsive to shifting priorities, including during the COVID-19 pandemic, and scaled up its efforts to further expand its reach to underserved members.

Relevance and comparative advantages

AIIB's strategic relevance lies in four areas: i) partnership approach, ii) lean and agile operations, iii) catalytic role in climate-aligned infrastructure, and iv) strong financial management.

Partnerships are central to AIIB. AIIB remains one of the largest partners to the WBG and the AsDB and continues to strengthen collaboration within the MDB system and other partners. By promoting mutual reliance on environmental, social, and procurement standards, it seeks to improve client service through cost-reduction and efficiency.

Lean and agile operations are at the core of AIIB's mindset. With a relatively small but highly specialised staff, AIIB adopts a streamlined, client-oriented approach to project delivery, enabling rapid mobilisation and co-financing, particularly in middle-income and emerging markets. AIIB are a leader in relying on other MDBs frameworks and guidelines when providing co-financing.

Climate-smart infrastructure to address climate challenges presents strong business opportunities for AIIB. Catalytic finance is a growing focus and AIIB aims to double its annual financing ambition by 2030 while reinforcing the commitment to reach 50% private sector financing. AIIB is expanding its toolbox to mobilise private capital through risk-sharing, guarantees, and blended finance.

Financial management and risk governance remains at heart. AIIB maintains a strong capital base with an explicit intention of not seeking further capital increases from shareholders. AIIB does so by effectively managing resources, generating reasonable returns, and recycling income to grow its balance sheet while preserving strong capital ratios and credit ratings and strengthening risk management systems. AIIB is recognised for its efforts to optimise its balance sheet.

Key strategic strengths and weaknesses

The following strengths have been identified:

- Strategic clarity and focus on sustainable and green infrastructure.
- Strong financial management and commitment to creditworthiness.
- Effective risk management and co-financing partnerships with other MDBs.

The following weaknesses have been identified:

- Improvement of climate methodology and reporting needed
- Need to deepen private sector operations and develop a stronger pipeline in frontier markets.
- Relatively low disbursement ratios compared to approvals.
- Transparency around project selection, additionality, and climate alignment needs strengthening.
- Thematic expansion (e.g. digital, health) must be balanced with institutional capacity.

5.4.4. Risks and assumptions

Contextual

Increasing geopolitical tensions may affect AIIB's perception and partnerships. Fiscal space constraints in borrowing countries also impact demand and implementation.

Operational

AIIB plans to increase its staffing to an estimated 1,000 staff by 2030, as expanding its technical expertise will be critical to achieving its mission. Emphasis will be placed on investment operations functions by deepening expertise in delivering high-quality projects and expanding into complex sectors, regions, and clients. Expanding into complex sectors and regions requires new capacities and resources might be better utilised elsewhere.

Financial

AIIB's balance sheet remains underutilised (with reference to G20 CAF recommendations); private capital mobilisation targets are ambitious. Sovereign exposure is well managed but may increase amid debt vulnerabilities. AIIB's capital structure is projected to remain adequate to support operations for at least the next decade, meeting prudential criteria and credit rating agency standards.

Institutional

Institutional maturity is evolving; governance and safeguards are strong but require continuous implementation and learning.

Climate

AIIB aims to exceed a 50% share of total approved financing dedicated to climate and the increased focus creates avenues for cooperation. While climate finance is a strategic priority, AIIB must improve reporting, taxonomy alignment, and internal capacity to deliver on green financing goals. Adaptation financing remains limited.

6. Monitoring

Denmark monitors the results of the RDBs, mainly through MOPAN assessment reports and the banks' own effectiveness reviews reporting on Board-approved result frameworks, but also through reporting on the MDB evolution agenda internally as externally.

The performance and evaluation of the RDBs are monitored by MOPAN. MOPAN has recently published evaluations of the AfDB⁸, AsDB⁹, as well as IDB¹⁰ and IDB Invest¹¹. Denmark will participate as lead in the new mid-term review instrument introduced by MOPAN to follow up on assessments. The first mid-term review will focus on AfDB and the World Bank. AIIB has not yet been subject to a performance assessment by MOPAN. Denmark advocates for such a review to be initiated.

In the 2024 Aid Transparency Index¹², the RDBs are featured as follows: AfDB's sovereign operations ranks 1st, while AfDB's non-sovereign operations ranks 13th; AsDB's sovereign operations ranks 7th, while AsDB's non-sovereign operations ranks 18th; IDB's operations ranks 2nd, while IDB Invest ranks 34th. Ranking of all RDB operations corresponds to *very good* or *good*, except IDB Invest corresponding to *fair*. AIIB is not covered in the index. The Ministry of Foreign Affairs of Denmark ranks 38th.

⁸ [MOPAN Assessment Report. African Development Bank Group \(AfDB\) \(2023\).](#)

⁹ [MOPAN Assessment Report. Asian Development Bank \(ADB\) \(2025\).](#)

¹⁰ [MOPAN Assessment Report. Inter-American Development Bank \(IDB\) \(2023\).](#)

¹¹ [MOPAN Assessment Report. Inter-American Investment Cooperation \(IDB Invest\) \(2023\).](#)

¹² [Publish What You Fund. Aid Transparency Index \(2024\).](#)

An analysis of the result frameworks of seven MDBs by Center for Global Development (2024)¹³ found that the AfDB does a better job than its peer institutions, especially on setting targets, reporting outcomes, disaggregating by sex, and making baseline comparisons.

Denmark continues, including via constituency offices, development effectiveness committees and audit committees, to monitor results and strengthen focus on outcomes and impact, rather than inputs and activities.

As the department responsible for MDBs, MULTI convenes the MDB Contact Group as needed and facilitates the preparation of an annual stocktaking report, tracking progress across MDBs in relation to Denmark's priority areas. Based on the report's conclusions, integrated annual action plans are developed for the WBG and RDBs.

MULTI will develop an overview of its monitoring and oversight for each MDB as part of the yearly monitoring plan submission. The plan will rely on the MDBs' existing cooperation and oversight mechanisms and reporting.

¹³ [Center for Global Development. How Multilateral Development Banks Measure Their Institutional Success \(2024\).](#)

ANNEXES

7.1. Expected budget 2025-2030

Denmark's already known commitments to the RDBs during the organisation strategy period, i.e. 2025-2030, are listed below in table 5. The strategy period will also cover the negotiations of both the AfDF-17 (2026-2028) and AfDF-18 (2029-2031) as well as AsDF 14 (2025-2028) and AsDF 15 (2029-2032). It is also a possibility, that one or several of the RDBs will initiate a capital increase during this period. As this currently remains unknown, the figures for IDB and AIIB are currently zero, however, Denmark still engages with these banks based on already acquired shares from previous capital increases.

Table 5: Already-known Danish commitments to the RDBs, 2025-2030 (DKK million)

Bank	Commitment							Total
		2025	2026	2027	2028	2029	2030	
AfDB	AfDB GCI-VII	65.0	67.8	67.8	-	-	-	200.6
	AfDF-15	32.2	76.8	-	-	-	-	109.0
	AfDF-16	104.9	97.3	98.0	97.8	89.9	74.5	562.4
	AfDF-17	0.0	105.9	128.6	140.9	127.9	126.1	629.4
	MDRI via AfDF	27.2	29.1	28.9	28.7	29.2	27.2	170.3
	Total	229.3	376.9	323.3	267.4	247.0	227.8	1,671.7
AsDB	AsDB	-	-	-	-	-	-	-
	AsDF 14	23.2	65.0	-	-	-	-	88.2
	Total	23.2	65.0	-	-	-	-	88.2
IDB	IDB	-	-	-	-	-	-	-
	IDB Invest	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-
AIIB	AIIB	-	-	-	-	-	-	-

In addition to the commitments to the core budgets, Denmark also provides contributions through thematic trust funds under the AfDB, cf. *annex 2*.

7.2. Contributions 2020-2024

Table 6: Contributions, 2020-2024 (DKK million)

Bank	Contribution						Total
		2020	2021	2022	2023	2024	
AfDB	GCI-VI	420,730.19	419,742.58	419,923.17	420,696.33	-	1,681,092.27
	GCI-VII	67,000,000.00	67,000,000.00	64,900,521.36	62,896,871.97	62,983,018.01	324,780,411.34
	AfDF-15	172,158,622.49	172,077,654.57	172,140,108.10	31,049,800.93	32,932,524.07	580,358,710.16
	AfDF-16	-	-	-	62,862,129.33	84,246,204.05	147,108,333.38
	MDRI via AfDF	12,011,240.70	21,022,356.74	24,828,134.49	31,883,174.82	26,914,327.14	116,659,233.89
	Total	251,590,593.38	260,519,753.89	262,288,687.12	189,112,673.38	207,076,073.27	1,170,587,781.04
AsDB	AsDB	-	-	-	-	-	-
	AsDF	-	-	-	-	-	-
	Total	-	-	-	-	-	-
IDB	IDB	-	-	-	-	-	-
	IDB Invest	-	-	-	-	-	-
	Total	-	-	-	-	-	-
AIIB	AIIB	29,560.00	-	-	-	-	29,560.00

Note. The table reflects only payments carried out from 2020-24.

7.3. List of Denmark's contributions to trust funds

Specific contributions are publicly available at Danida OpenAid.

Table 7: Trust funds under the Regional Development Banks

Trust fund	Bank	Unit
Africa Water Facility (AWF)	AfDB	KLIMA
Sustainable Energy Fund for Africa (SEFA)	AfDB	KLIMA
Urban and Municipal Development Fund (UMDF)	AfDB	KLIMA
Youth Entrepreneurship and Innovation Multi-Donor Trust Fund (YEI-MDTF)	AfDB	MULTI

7.4. Terms of reference for MDB Contact Group

7.4.1 Objective

With the overall goal of ensuring better synergy between Denmark's diverse core and bilateral engagements with the MDBs, the purpose of the MDB Contact Group is to: i) ensure strategic coherence across diverse MDB engagements, and ii) facilitate exchange of experience and relevant information stemming from the diverse Danish engagements with the MDBs across the foreign service. To underpin the integrated, strategic approach to the MDBs, the contact group concerns all MDBs, i.e. WBG and the RDBs.

7.4.2 Format

The contact group will be convened as relevant, with a point of departure in an annual action plan which will be formulated at the onset of a new calendar year, based on a stocktake of MDB progress within Denmark's priority areas in the preceding calendar year, drawing on MOPAN assessments, the MDBs' internal evaluations and progress reporting as well as relevant information from bilateral engagements between Denmark and the MDBs. Based on the conclusions of the annual stocktake report, the annual action plans for the following calendar year will outline the direction for the collective engagement of diverse entities anchoring MDB engagements in a given calendar year.

The contact groups will have a lean, informal structure and meet on a quarterly basis and as and when needed at the initiative of the unit, which manages Danish cooperation with the organisation in question. As relevant external experts may be invited to brief the contact group.

Due attention will be paid to ensuring information flows between the MDB Contact Group and other relevant contact groups and/or task forces.

7.4.3 Scope of work

The work of the contact group will include:

- Assess developments in the MDBs and resulting impact on Denmark's partnership, i.e. cross-cutting messages
- Exchange of experiences from diverse MDB engagements, a.o. preparing and debriefing on annual meetings, meeting in the board, and in fund steering committees etc.
- Discuss proposals for new initiatives and earmarked grants to the MDBs as deemed relevant for the unit responsible for the grant.

7.4.4 Management and members

Contact group communication and collaboration is facilitated by MULTI which anchors Denmark's overall strategic partnership with the MDBs.

Members of the contact group are, apart from the responsible unit, relevant entities with significant and diverse MDB engagements.

7.4.5 Timing of meetings

MULTI will announce contact group meetings with minimum one weeks' notice and include in the meeting invitation an agenda and description of expected meeting outcome, which will clearly state how contact members are expected to contribute. MULTI is responsible for drafting the annual stocktaking report and annual action plan with input from the contact group.

Members can ask the chair to call a meeting if/when issues within their respective portfolios warrant a discussion.

