

# Call for Public Consultation for the Proposed Asian Infrastructure Investment Bank (AIIB) Complaints Handling Mechanism

27 April 2017

## 1. Committing to hear project concerns and complaints

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank (MDB) that focuses on the development of infrastructure and interconnectivity in Asia. The Bank has built on the lessons and experience of other MDBs and the private sector and put in place strong policies, including on governance, procurement, environment and social dimensions.

Since the early nineties, most MDBs have established independent accountability mechanisms to give voice to people who believe they are harmed or could be harmed by projects financed by these institutions.

AIIB has established an independent Compliance, Effectiveness and Integrity Unit (CEIU) that exercises oversight in these three areas. CEIU is also mandated to receive complaints about AIIB operations. The CEIU is independent of AIIB Management and its Director General reports directly to the AIIB Board of Directors<sup>1</sup>.

AIIB has also adopted an Environmental and Social Framework to guide its project preparation and implementation<sup>2</sup>. This Framework requires that AIIB borrowers establish a suitable project level grievance mechanism in accordance with AIIB's Environment and Social Policy and applicable Environmental and Social Standards, and inform project affected people of the grievance mechanism's availability. This mechanism can receive and facilitate resolution of the concerns or complaints of people who believe they have been adversely affected by the Project's environmental or social impacts. There is also provision for protection of complainants from retaliation and the right to remain anonymous, if requested (Framework p.23 para. 63).

In addition to such project level grievance mechanisms, AIIB is now working to establish an AIIB complaints handling mechanism. The proposed mechanism will allow people who feel they are harmed, or could be harmed, by an AIIB funded project to voice their concerns to AIIB regarding AIIB's non-compliance with its environmental and social safeguards, and seek help for resolution of related problems.

## 2. Creating a Complaints Handling Mechanism

CEIU is now commencing the process of developing the AIIB complaints handling mechanism. The mechanism should aim to proactively support compliance to prevent problems during project design and implementation, and respond rapidly to solve the problems of people who believe they have been

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<sup>1</sup> AIIB organizational chart: [www.aiib.org/en/about-aiib/governance/common/download/AIIB\\_organizational\\_structure.pdf](http://www.aiib.org/en/about-aiib/governance/common/download/AIIB_organizational_structure.pdf)

<sup>2</sup> AIIB Environmental and Social Framework (February, 2016): <https://www.aiib.org/en/policies-strategies/download/environment-framework/20160226043633542.pdf>

or will be adversely affected by AIIB projects. The mechanism should also help AIIB to continuously learn from its experiences and strengthen its development practice.

CEIU staff is eager to receive suggestions from any individual, organization or stakeholder to shape and inform the development of the AIIB complaints handling mechanism. The indicative CEIU timeline provides for a two-phase stakeholder consultation. CEIU will draft a proposal for the complaints handling mechanism after the conclusion of Phase 1. This draft would then be posted on the AIIB website for the second phase of consultations. A series of video conferences is planned in both phases to foster more direct engagement, and face to face consultations with stakeholders participating in the Annual General Meeting. Written stakeholder submissions can also be sent by email or letter to:-

**Email address:** [CHM-Consultation@aiib.org](mailto:CHM-Consultation@aiib.org)  
**Mailing address:** CHM-Consultation  
 Compliance, Effectiveness and Integrity Unit (CEIU)  
 Asian Infrastructure Investment Bank  
 B-9 Financial St., Xicheng District, Beijing 100033, China

**3. Provisional timeline for stakeholder consultation**

<b>27 April-26 June</b>	<b>Phase 1 consultation process</b>
27 April	AIIB call for submissions
27 April to 26 June	CEIU will organize video conferences with external stakeholders, including civil society organizations and NGOs (details to be announced). CEIU will also work with the Board of Directors to consult member countries of AIIB
14-15 June	CEIU to report to Board of Directors on the progress of consultations
16-18 June	AIIB Annual General Meeting and meetings with civil society organizations, NGOs and other stakeholders
<b>26 June (5.00 pm Beijing time)</b>	<b>Deadline for submissions</b>
<b>15 August- 30 September</b>	<b>Phase 2 consultation process</b>
15 August	Draft posted on the AIIB website for consultation
28-29-30 August	Independent Accountability Mechanisms Network meeting and consultation with peers
1-30 September	CEIU will organize video conferences with external stakeholders, including civil society organizations and NGOs (details to be announced). CEIU will also work with the Board of Directors to consult member countries of AIIB
<b>30 September (5:00 pm Beijing time)</b>	<b>Deadline for submissions</b>
1 October- 15 November	Consideration of draft policy by the Executive Committee of AIIB and the Board (through a virtual Board meeting – date to be confirmed)
December 2017	Board of Directors consideration of the final draft (date to be confirmed)

A list of contributing stakeholders and a summary of their key recommendations received in Phase 1 and Phase 2 will be presented to the AIIB Board of Directors. The Executive Committee and the Board of Directors of the AIIB will consider the first and final drafts of the policy. Upon approval of the final draft, the approved policy and summary of stakeholder communications will be made public.

#### **4. Some suggested questions**

Stakeholders (individuals or organizations) are free to make suggestions to AIIB on any aspect of the proposed mechanism. CEIU would particularly appreciate suggestions on the following questions:

1. From your experience of working with the accountability mechanisms of other Multilateral Development Banks or public and private sector organizations, what good practices could the AIIB mechanism adopt to be efficient and effective in addressing the concerns of project affected people? Please include concrete suggestions as to what has worked and why, or what has not worked and why not?
2. Beyond dealing with the immediate case, what role, if any, can the proposed complaints handling mechanism play in dealing with systemic issues and generally helping AIIB to be a learning organization?