



**AIIB 2021 Report on
the Policy on Public Information**

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Executive Summary

The Asian Infrastructure Investment Bank's (AIIB) commitment to transparency is embedded in Article 34.4 of the Bank's Articles of Agreement which requires AIIB to "establish a policy on the disclosure of information in order to promote transparency in its operations."

When AIIB opened for business on Jan. 16, 2016, an interim disclosure policy was put in place to live up to this commitment. Following public consultations, the current Policy on Public Information (PPI) was approved by AIIB's Board of Directors on Sep. 27, 2018.

This report contains three distinct sections to wrap up the PPI's first three years of implementation.

First is the reporting on the final quarter of this three-year implementation period (Q3 2021).

The second section aggregates the full year's results and outlines improvements made in the last 12-month period.

Finally, as stipulated in the PPI, after three years Management must evaluate the policy's implementation and provide the Board with a recommendation on the necessity of conducting a review. To support this recommendation, Management examined the effectiveness of the PPI, using the following benchmarks: (1) disclosure, (2) reputation and (3) responsiveness to requests for information.

1. **Disclosure.** The first benchmark assesses how AIIB proactively discloses documents and if these documents meet the requirements set in the PPI Directive. The timeliness of disclosure and the public's ability to access documents and information about AIIB are key transparency indicators. The 2021 review analyzed quarterly PPI monitoring reports and found that the Bank is properly adhering to these requirements and that the implementation of the current PPI meets the policy's threshold for disclosure.
2. **Reputation.** The second benchmark looks at the impact on AIIB's reputation. This assesses if the PPI contributes positively or negatively to AIIB's brand as a multilateral development bank (MDB) that operates to high standards. The 2021 review conducted a comparison of AIIB's PPI to the disclosure policies of other MDBs as well as an analysis of media reports about AIIB's disclosure practices and found that the PPI broadly aligns with that of AIIB's peers. It also found that any negative perceptions of AIIB's commitment to transparency did not stem from deficiencies in the policy itself.
3. **Review of Requests for Information.** The third benchmark looks at AIIB's ability to respond to public requests for information. Aside from serving as an indicator on how willing AIIB is to share information, this approach demonstrates how the Bank applies the exceptions under the PPI in practice. Protecting legitimate interests is a principle under the policy, but how these exceptions are utilized can serve as proof points. Overuse of the exceptions, or of the override provisions of the PPI, could reveal a hesitancy to disclose information that might not be in line with the principles of transparency required under the policy. The review found very high compliance with

the PPI Directive and a low percentage of declined requests, thus demonstrating that AIIB was upholding the principle of transparency as required under the policy.

Based on these findings, the Management of the AIIB recommends to the Board of Directors that a formal review of the PPI is not necessary at this time as the policy is adequately meeting the transparency expectations of the public and AIIB's operational needs.

1. Q3 2021 Report

1.1. Proactive Disclosure – Q3 2021

AIIB proactively discloses information according to the [Directive on Public Information](#) on:

Financial Information	Institutional Information	Operational Information
<ul style="list-style-type: none"> - Audited annual financial statements, including special funds and trust funds - Unaudited condensed quarterly financial statements 	<ul style="list-style-type: none"> - Basic Documents - Governance - Policies, Strategies and Directives and Amendments to these Documents 	<ul style="list-style-type: none"> - Nonsovereign-backed Financing Projects - Sovereign-backed Financing Projects

1.1.1 Q3 2021 Proactive Disclosure - Financial Information

Table 1 shows the events in Q3 2021 that required proactive public disclosure of financial information by AIIB, and the resulting disclosure.

Table 1. Proactive Public Disclosure of Financial Information, Q3 2021

Event	As outlined in the Directive on Public Information		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Approval of unaudited condensed quarterly financial statements of AIIB and the AIIB Project Preparation Special Fund (for the six months ended June 30, 2021).	Unaudited condensed quarterly financial statements.	Three working days after approval by the President.	Disclosed. Within three working days after approval by the President. https://www.aiib.org/en/about-aiib/financial-statements/index.html#statement

1.1.2. Q3 2021 Proactive Disclosure – Institutional Information

Table 2 shows the events which required proactive public disclosure of institutional information by the Bank, and the resulting disclosure.

Table 2. Proactive Public Disclosure of Institutional Information, Q3 2021

Event	As outlined in the Directive on Public Information		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
	Governance		
Voting power changed upon capital payment receipt.	The voting power of each member.	Upon any effective change.	Disclosed. Upon effective change. https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html
AIIB received appointment letters from individual shareholders.	Name and position of members of the Board of Governors.	Upon the formal appointment by the relevant Member.	Disclosed. Upon the formal appointment by the relevant Members. https://www.aiib.org/en/about-aiib/governance/board-governors/index.html
AIIB received notification that a Member was joining a constituency.	Composition of Bank constituencies	After formal notification of changes to the Bank by the relevant Member.	Disclosed. After formal notification of changes to the Bank by the relevant Member. https://www.aiib.org/en/about-aiib/governance/board-directors/board-members/index.html
New Directors were elected. New Alternate Directors and	Names and nationalities of the Board of Directors,	Upon effective nomination and/or appointment.	Disclosed. Upon effective nomination and appointment.

new Advisors were appointed.	Alternate Directors and Advisors.		https://www.aiib.org/en/about-aiib/governance/board-directors/board-members/index.html
Chair and Vice Chair of the committees were selected. New members were appointed.	Membership of the Committees of the Board of Directors.	Three working days after approval by the Board of Directors.	Disclosed. Within three working days after approval. https://www.aiib.org/en/about-aiib/governance/board-directors/board-committees/index.html
The Board of Directors approved the minutes of the meetings held on July 15, Aug. 26 and Sept. 22-23.	Minutes of the Board of Directors Meeting.	Three working days after approval of the minutes by the Board of Directors.	Disclosed. Within three working days after approval. https://www.aiib.org/en/about-aiib/governance/board-directors/meeting-minutes/index.html
The Chair of the Board of Directors confirmed the dates of the meetings in consultation with the Board of Directors.	Indicative dates of future meetings of the Board of Directors.	Three working days after approval by the Chair of the Board of Directors.	Disclosed. Within three working days after approval. https://www.aiib.org/en/about-aiib/governance/board-directors/meeting-minutes/index.html
The Organizational Chart was approved by the President.	Organizational chart	Three working days after approval by the President.	Disclosed. Within three working days after approval. https://www.aiib.org/en/about-aiib/governance/index.html#structure
New members were introduced to the senior management.	Introduction of all members of senior management	Three working days after approval by the President.	Disclosed. Within three working days after approval. https://www.aiib.org/en/about-aiib/governance/senior-management/index.html
New members were appointed.	Names and Biography of the Panelists of the International Advisory Panel (IAPs)	Three working days after formal notification to the Bank of changes.	Disclosed. Three working days after notification of changes. https://www.aiib.org/en/about-aiib/governance/international-advisory-panel/index.html

	Amendments to Current Policies, Strategies and Directives and Other Documents		
The President approved the updated directives.	Directive on Counterparty Credit Risk Management Directive on Corporate Procurement	10 working days after approval by the President.	Disclosed. Within 10 working days after approval. https://www.aiib.org/en/about-aiib/who-we-are/role-of-law/.content/index/_download/Directive-on-Counterparty-Credit-Risk-Management.pdf https://www.aiib.org/en/about-aiib/who-we-are/role-of-law/.content/index/_download/Revised-Directive-on-Corporate-Procurement.pdf
The President approved the directive.	Directive on the Administration of AIIB Special Funds		Disclosed. https://www.aiib.org/en/about-aiib/who-we-are/role-of-law/.content/index/_download/AIIB-Directive-on-SFW-Rules-and-Regulations.pdf

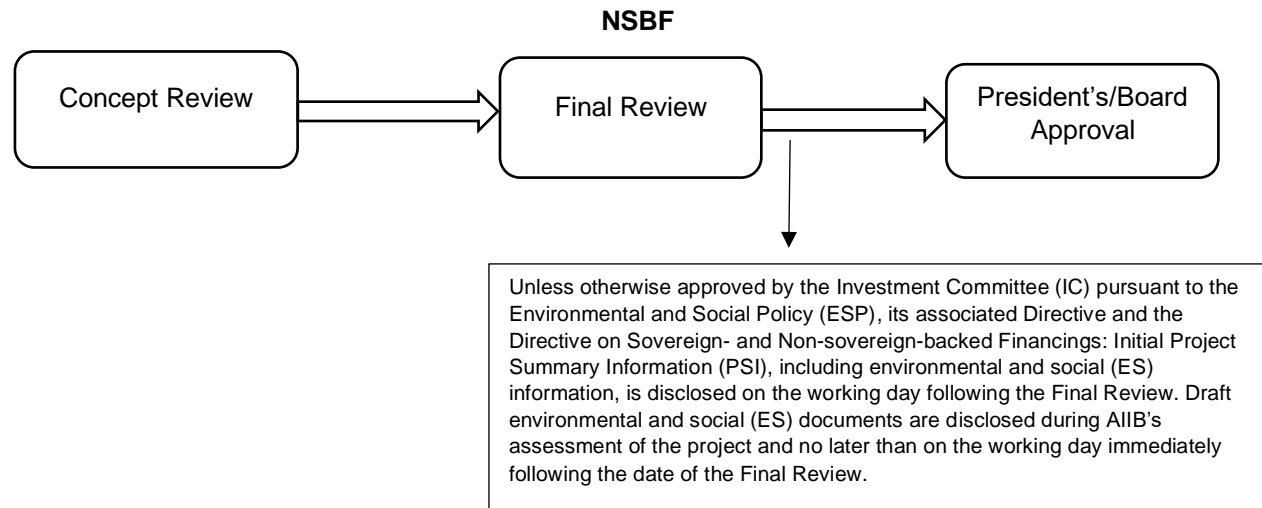
1.1.3. Q3 2021 Proactive Disclosure - Operational Information

1.1.3.1 Regular Projects

Nonsovereign-backed Financings

Figure 1 illustrates the project approval process for Projects supported by Non-sovereign-backed Financings (NSBF) and when key project information is disclosed.

Figure 1. Project Approval Process for Projects supported by NSBF¹



¹ This Figure shows the ES documentation disclosure requirements under the 2016 and 2019 ESP. New projects entering the Bank's pipeline on or after October 1, 2021 are subject to different ES disclosure requirements as set out in the 2021 ESP, which was recently approved by the Board. In general, these requirements are as follows: (a) for Category A Projects, 60 calendar days prior to consideration of the Bank's financing for approval; and (b) for Category B Projects, 30 calendar days prior to consideration of the Bank's financing for approval. For details, see the 2021 ESP, Section 65.

Table 3 shows the events in Q3 2021 that required proactive public disclosure of operational information by the Bank, and the resulting disclosure.

Table 3. Regular Projects – Operational Information – Non-sovereign-backed Financings (NSBF), Q3 2021

Operational Information			
Regular projects – Project Summary Information – Non-sovereign-Backed Financings (NSBF), Q3 2021			
Event	As outlined in the Directive on Sovereign-backed and Non-sovereign-backed Financings		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Viet Nam: Dakdrinh 125MW Hydropower Plant (000443)	Non-sovereign-backed Financing Project Summary Information (NSBF PSI)	Disclosed on the working day immediately following the Final Review, or at such later date authorized by the Investment Committee.	Disclosed nine working days before Final Review. https://www.aiib.org/en/projects/details/2021/proposed/Viet-Nam-Dakdrinh-125MW-Hydropower-Plant.html

Turkey: Istanbul Waste to Energy Generation Project (Previously: Construction and Operation of a Waste Incineration and Energy Generation Plant) (000495)			Disclosed 21 working days before Final Review. https://www.aiib.org/en/projects/details/2021/approved/Turkey-Istanbul-Waste-to-Energy-Generation-Project.html
Multicountry: STIC Asia Infrastructure Innovation Fund (000480)			Disclosed 20 working days after Final Review as approved by the Investment Committee in accordance with the Directive on Sovereign-backed and Non-sovereign-backed Financings. https://www.aiib.org/en/projects/details/2021/approved/Multicountry-STIC-Asia-Infrastructure-Innovation-Fund.html
Multicountry: Data Center Development in Emerging Asia (000502)			Disclosed on the same day as the Final Review. https://www.aiib.org/en/projects/details/2021/approved/multicountry-Data-Center-Development-in-Emerging-Asia.html

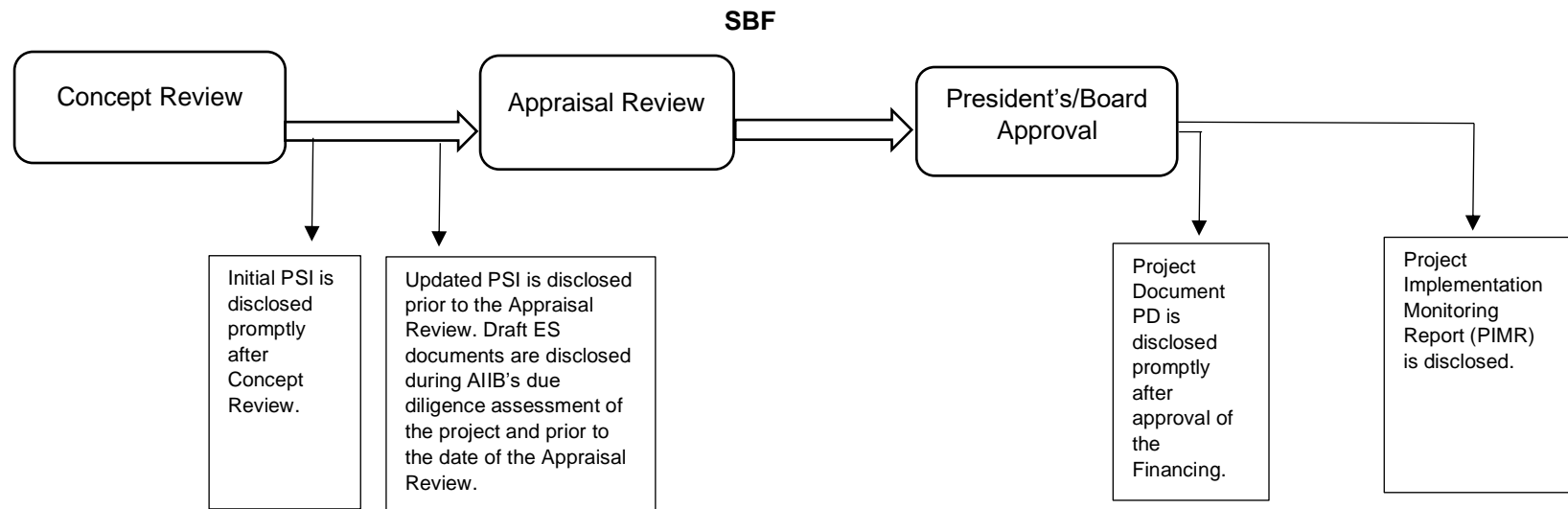
Turkey: Izmir Metro Phase 5: Üçyol - Buca Line (000376)			Disclosed. The Final Review date has not yet been decided. https://www.aiib.org/en/projects/details/2021/proposed/Turkey-Izmir-Metro-Phase-5-Buca-Line.html
Regular projects - Client's Draft Environmental and Social Documentation – Non-sovereign-backed Financings (NSBF), Q3 2021			
Event	As Outlined in the Environmental and Social Policy (ESP) and its associated Directive		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Viet Nam: Dakdrinh 125MW Hydropower Plant (000443)	Client's draft environmental and social documentation— Non-sovereign-backed Financing (NSBF)	Disclosed on the working day immediately following the Final Review, or at such later date authorized by the IC.	Disclosed nine working days before Final Review. https://www.aiib.org/en/projects/details/2021/proposed/Viet-Nam-Dakdrinh-125MW-Hydropower-Plant.html

Turkey: Istanbul Waste to Energy Generation Project (Previously: Construction and Operation of a Waste Incineration and Energy Generation Plant) (000495)			Disclosed 20 working days before Final Review. https://www.aiib.org/en/projects/details/2021/approved/Turkey-Istanbul-Waste-to-Energy-Generation-Project.html
Turkey: Izmir Metro Phase 5: Üçyol - Buca Line (000376)			Disclosed. The Final Review date has not yet been decided. https://www.aiib.org/en/projects/details/2021/proposed/Turkey-Izmir-Metro-Phase-5-Buca-Line.html
Multicountry: STIC Asia Infrastructure Innovation Fund (000480)		FI projects make use of Environmental and Social Management Systems, a description of which is disclosed in the PSI. The PSI is disclosed no later than on the working day immediately following the date of the Final Review or such later date authorized by the IC.	PSI disclosed 20 working days after Final Review as approved by the Investment Committee in accordance with the ESP. https://www.aiib.org/en/projects/details/2021/approved/Multicountry-STIC-Asia-Infrastructure-Innovation-Fund.html
Multicountry: Data Center Development in Emerging Asia (000502)			PSI disclosed on the same day of the Final Review. https://www.aiib.org/en/projects/details/2021/approved/multicountry-Data-Center-Development-in-Emerging-Asia.html

Sovereign-backed Financings

Figure 2 illustrates the project approval process for Projects supported by Sovereign-backed Financings (SBF) and when key project information is disclosed.

Figure 2. Project Approval Process for Projects supported by Sovereign-backed Financings (SBF)²



² This Figure shows the ES documentation disclosure requirements under the 2016 and 2019 ESP. New projects entering the Bank's pipeline on or after October 1, 2021 are subject to different ES disclosure requirements as set out in the 2021 ESP, which was recently approved by the Board. In general, these requirements are as follows: (a) for Category A Projects, 60 calendar days prior to consideration of the Bank's financing for approval; and (b) for Category B Projects, 30 calendar days prior to consideration of the Bank's financing for approval. For details, see the 2021 ESP, Section 65.

Table 4 shows the events in Q3 2021 that required proactive public disclosure of operational information by the Bank, and the resulting disclosure.

Table 4. Regular Projects – Operational Information – Sovereign-backed Financings (SBF), Q3 2021

Regular projects - Project Summary Information - Sovereign-backed Financings (SBF), Q3 2021			
Event	As outlined in the Directive on Sovereign-backed and Nonsovereign-backed Financings		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
China: Henan Flood Emergency Rehabilitation and Recovery Project (000543) passed Concept Review.	Sovereign-backed Financing Project Summary Information (SBF PSI)	Disclosed promptly after the Concept Review.	Disclosed two working days following the Concept Review. https://www.aiib.org/en/projects/details/2021/proposed/China-Henan-Flood-Emergency-Rehabilitation-and-Recovery-Project.html
Indonesia: Development of Pumped Storage Hydropower in Java Bali System (000512) passed Concept Review.			Disclosed two working days after the Concept Review. https://www.aiib.org/en/projects/details/2021/proposed/Indonesia-Development-of-Pumped-Storage-Hydropower-in-Java-Bali-System.html
Regular Projects - Client's Draft Environmental and Social Documentation—Sovereign-backed Financings (SBF), Q3 2021			
Event	As Outlined in the Environmental and Social Policy and its associated Directive		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	

China: Liaoning Green Smart Public Transport Demonstration Project (000406)*	Client's draft environmental and social documentation- Sovereign-backed Financing (SBF)	Disclosed prior to the Appraisal Review	Disclosed two working days before the Appraisal Review. https://www.aiib.org/en/projects/details/2021/proposed/China-Liaoning-Green-Smart-Public-Transport-Demonstration-Project.html
Turkey: Ispartakule-Cerkezkoy Rail Project (Previously: Halkali-Cerkezkoy Rail Project) (000345)*			Disclosed 75 working days before the Appraisal Review. https://www.aiib.org/en/projects/details/2020/proposed/Turkey-Ispartakule-Cerkezkoy-Rail-Project-Previously-Halkali-Cerkezkoy-Rail-Project.html
Pakistan: Khyber Pakhtunkhwa Cities Improvement Project (000214)*			Disclosed 116 working days prior to the Appraisal Review. https://www.aiib.org/en/projects/details/2020/proposed/Pakistan-Khyber-Pakhtunkhwa-Cities-Improvement-Project.html
Bangladesh: IDCOL Multi-Sector On-Lending Facility (000344)		FI projects make use of Environmental and Social Management Systems, a description of which is disclosed in the PSI. The PSI is disclosed no later than on the working day immediately following the date of the Final Review or such later date authorized by the IC.	PSI disclosed two working days after the Concept Review. https://www.aiib.org/en/projects/details/2020/proposed/Bangladesh-IDCOL-Multi-Sector-On-Lending-Facility.html
* Passed Concept Review prior to Q3, 2021. For PSI disclosure status, see previous reports .			
Regular Projects - Sovereign-backed Financing Project Document (SBF PD), Q3 2021			

Event	As Outlined in the Directive on Sovereign-backed and Nonsovereign-backed Financings		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
India: Chennai Metro Rail Phase 2 Project - Corridor 4 (000301)**	Sovereign-backed Financing Project Document (SBF PD)	Disclosed after approval of the Financing.	Disclosed one working day after the approval of Financing. https://www.aiib.org/en/projects/details/2021/approved/India-Chennai-Metro-Rail-Phase-2-Project-Corridor-4.html
Pakistan: Balakot Hydropower Development Project (000339)**			Disclosed one working day after the approval of Financing. https://www.aiib.org/en/projects/details/2021/approved/Pakistan-Balakot-Hydropower-Development-Project.html
India: Resilient Kerala Program for Results (000463)**			Disclosed one working day after the approval of Financing. https://www.aiib.org/en/projects/details/2021/approved/India-Resilient-Kerala-Program-for-Results.html
** Passed Concept Review prior to Q2, 2021. For PSI and ES disclosure status, see previous reports .			
Regular Projects: Sovereign-backed Financing Project Implementation Monitoring Report (SBF PIMR), Q3, 2021			

Event	As Outlined in the Directive on Sovereign-backed and Nonsovereign-backed Financings		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Nineteen Project Implementation Monitoring Reports were ready for publication.	Sovereign-backed Financing Project Implementation Monitoring Report (SBF PIMR)	SBF PIMRs are ready for publication.	Disclosed. https://www.aiib.org/en/projects/details/2019/approved/Bangladesh-Municipal-Water-Supply-and-Sanitation-Project.html https://www.aiib.org/en/projects/details/2020/approved/Bangladesh-Rural-Water-Sanitation-and-Hygiene-for-Human-Capital-Development-Project.html https://www.aiib.org/en/projects/details/2020/approved/Bangladesh-Sylhet-to-Tamabil-Road-Upgrade-Project.html https://www.aiib.org/en/projects/details/2019/approved/China-Beijing-Tianjin-Hebei-Low-Carbon-Energy-Transition-and-Air-Quality-Improvement-Project.html https://www.aiib.org/en/projects/details/2021/approved/India-Assam-Intra-State-Transmission-System-Enhancement-Project.html https://www.aiib.org/en/projects/details/2019/approved/India-Mumbai-Urban-Transport-Project-Phase-III.html

			<p>https://www.aiib.org/en/projects/details/2018/approved/Indonesia-Mandalika-Urban-and-Tourism-Infrastructure.html</p> <p>https://www.aiib.org/en/projects/details/2021/approved/Indonesia-PLN-East-Java-Bali-Power-Distribution-Strengthening-Project.html</p> <p>https://www.aiib.org/en/projects/details/2017/approved/Indonesia-Regional-Infrastructure-Development-Fund.html</p> <p>https://www.aiib.org/en/projects/details/2018/approved/Indonesia-Strategic-Irrigation-Modernization-and-Urgent-Rehabilitation.html</p> <p>https://www.aiib.org/en/projects/details/2020/approved/Kyrgyz-Republic-Kyrgyz-Emergency-Support-for-Private-and-Financial-Sector-Project.html</p> <p>https://www.aiib.org/en/projects/details/2020/approved/Maldives-Greater-Male-Waste-to-Energy-Project.html</p> <p>https://www.aiib.org/en/projects/details/2021/approved/Maldives-Solar-Power-Development-and-Energy-Storage-Solution.html</p> <p>https://www.aiib.org/en/projects/details/2019/approved/Nepal-Power-Distribution-System-Upgrade-and-Expansion-Project.html</p> <p>https://www.aiib.org/en/projects/details/2019/approved/Pakistan-Karachi-Bus-Rapid-Transit.html</p>
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			https://www.aiib.org/en/projects/details/2019/approved/Sri-Lanka-Support-to-Colombo-Urban-Regeneration-Project.html https://www.aiib.org/en/projects/details/2019/approved/Turkey-Istanbul-Seismic-Risk-Mitigation-and-Emergency-Preparedness-Project.html https://www.aiib.org/en/projects/details/2018/approved/Turkey-Tuz-Golu-Gas-Storage-Expansion.html https://www.aiib.org/en/projects/details/2020/approved/Uzbekistan-Bukhara-Region-Water-Supply-and-Sewerage-Project.html
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Table 5 shows the length of disclosure of the initial PSI and draft environmental and social (ES) information before Board/President approval.

Table 5. Disclosure Measured Against Board/President Approval, Q3 2021

Regular Projects - NSBF Measured Against Board/President Approval, Q3, 2021		
NSBF	Initial PSI (Calendar days before Board/President Approval)	ES Information (Calendar days before Board/President Approval)
China: Sinovation Disrupt Fund (000456)*	126	126
Multicountry: Keppel-Pierfront Private Credit Fund L.P (000422)*	125	125
India: Enel Green 300 MW Solar Project - Rajasthan (000473)*	57	57

Average	102	102
* The projects passed Final Review in Q2 2021. See their Final Review triggered disclosure status in Q2 2021 report .		
Regular Projects - SBF Measured Against Board/President Approval, Q3, 2021		
SBF	Initial PSI (Calendar days before Board/President Approval)	ES Information (Calendar days before Board/President Approval)
India: Chennai Metro Rail Phase 2 Project - Corridor 4 (000301)	650	349
Pakistan: Balakot Hydropower Development Project (000339)	420	420
India: Resilient Kerala Program for Results (000463)	178	105
Average	416	219

1.1.3.2 Projects under the AIIB COVID-19 Crisis Recovery Facility

AIIB discloses information on investment projects that fall under its COVID-19 Crisis Recovery Facility (CRF) in accordance with the paper on the Decision to Support the CRF.

In some cases, a nondisclosed Memorandum of the President (MoP) is used in place of a Project Document (PD), in which case AIIB discloses information on the operation via the PSI. A MoP is used instead of a PD for policy-based lending (PBL), development policy financing (DPF) and vaccine supply operations co-financed under the CRF with the Asian Development Bank (ADB) or the World Bank.

In addition, Client environmental and social documentation disclosure requirements do not apply to PBLs and DPFs that support policy actions taken by the beneficiary government and are not targeted to specific investments. Environmental and social aspects under vaccine supply operations are addressed in the Project documentation of the co-financier.

Nonsovereign-backed Financing

Table 6 show the events in Q3 2021 that required proactive public disclosure of operational information by the Bank, and the resulting disclosure.

Table 6. Projects under CRF - Operational Information - Non-sovereign-backed Financings (NSBF), Q3 2021

Projects under CRF: Project Summary Information - Non-sovereign-backed Financings (SBF), Q3 2021			
Event	As outlined in the Paper on the Decisions to Support the AIIB COVID-19 Crisis Recovery Facility		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
China: FOSUN COVID-19 Vaccine Project (000534)	Non-sovereign-backed Financing Project Summary Information (NSBF PSI)	Disclosed promptly after the financing proposal has passed the Investment Committee review.	Disclosed four working days before the financing proposal passed the Investment Committee review. https://www.aiib.org/en/projects/details/2021/approved/China-FOSUN-COVID-19-Vaccine-Project.html

Turkey: Turkey Isbank COVID-19 Credit Line Project (000399)			Disclosed five working days after the financing proposal passed the Investment Committee review. https://www.aiib.org/en/projects/details/2021/approved/Turkey-Isbank-COVID-19-Credit-Line-Project.html
Projects under CRF: Client's Draft Environmental and Social Documentation - Non-sovereign-backed Financings (NSBF), Q3 2021			
Event	Document	Trigger for Disclosure Obligation	Resulting Disclosure
China: FOSUN COVID-19 Vaccine Project (000534)	Client's draft environmental and social documentation.	Disclosed during AIIB's assessment of the project and no later than on the working day immediately following the date of the Final Review.	Disclosed four working days before the financing proposal passed the Investment Committee review. https://www.aiib.org/en/projects/details/2021/approved/China-FOSUN-COVID-19-Vaccine-Project.html
Turkey: Turkey Isbank COVID-19 Credit Line Project (000399)		FI projects make use of Environmental and Social Management Systems, a description of which is disclosed in the PSI. The PSI is disclosed no later than on the working day immediately following the date of the Final Review or such later date authorized by the IC.	PSI disclosed five working days after the financing proposal passed the Investment Committee review. https://www.aiib.org/en/projects/details/2021/approved/Turkey-Isbank-COVID-19-Credit-Line-Project.html

Sovereign-backed Financing

Table 7 shows the events in Q3 2021 that required proactive public disclosure of operational information by the Bank, and the resulting disclosure. The disclosure days vary from project to project because some major parameters of the project were not fixed at the time of screening, given the project's emergency nature.

Table 7. Projects under CRF - Operational Information - Sovereign-backed Financings (SBF), Q3 2021

Projects under CRF: Project Summary Information - Sovereign-backed Financings (SBF), Q3 2021			
Event	As outlined in the Paper on the Decisions to Support the AIIB COVID-19 Crisis Recovery Facility		Resulting Disclosure*
	Document	Trigger for Disclosure Obligation	
Bangladesh: Bangladesh Responsive COVID-19 Vaccines for Recovery Project (000529)	Sovereign-backed Financing Project Summary Information (SBF PSI)	Disclosed promptly after the financing proposal has passed the Screening Committee review.	Disclosed 11 working days after the financing proposal passed the Screening Committee review. https://www.aiib.org/en/projects/details/2021/proposed/Bangladesh-Responsive-COVID-19-Vaccines-for-Recovery-Project.html
Bangladesh: Bangladesh Sustainable Economic Recovery Program (Subprogram 1) (000528)			Disclosed 11 working days after the financing proposal passed the Screening Committee review. https://www.aiib.org/en/projects/details/2021/approved/Bangladesh-Sustainable-Economic-Recovery-Program-Subprogram-1.html
Hungary: Emergency Assistance for Healthcare Expenditures (000522)			Disclosed 13 working days after the financing proposal passed the Screening Committee review. https://www.aiib.org/en/projects/details/2021/approved/Hungary-Emergency-Assistance-for-Healthcare-Expenditures.html
*The disclosure days vary because some major parameters of the project were not fixed at the time of screening, given the emergency nature of the project.			

Projects under CRF –Client’s Draft Environmental and Social Documentation – Sovereign-backed Financings (SBF), Q3 2021			
Event	As outlined in the Environmental and Social Policy and its associated Directive		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Hungary: Emergency Assistance for Healthcare Expenditures (000522)	Client’s draft environmental and social documentation - Sovereign-backed Financing (SBF)	Disclosed prior to the Appraisal Review.	Disclosed 82 days after the Appraisal Review Under the provisions of Emergency Assistance, the draft Environmental and Social Management Planning Framework (ESMPF) was disclosed within 30 days of loan effectiveness. https://www.aiib.org/en/projects/details/2021/approved/Hungary-Emergency-Assistance-for-Healthcare-Expenditures.html
Rwanda: Rwanda Digital Acceleration Project (Digital Investment for Recovery, Resilience and Connectivity) (000462)			Disclosed one working day before Appraisal Review. https://www.aiib.org/en/projects/details/2021/proposed/Rwanda-Digital-Acceleration-Project-Digital-Investment-for-Recovery-Resilience-and-Connectivity.html
Bangladesh: Bangladesh Responsive COVID-19 Vaccines for Recovery Project (000529)		Not applicable as an ADB Category C (for environment, involuntary resettlement and Indigenous Peoples) project.	PSI disclosed, summarizing ADB ES assessment. https://www.aiib.org/en/projects/details/2021/proposed/Bangladesh-Responsive-COVID-19-Vaccines-for-Recovery-Project.html
Bangladesh: Bangladesh Sustainable Economic Recovery Program (Subprogram 1) (000528)		Not applicable for PBLs co-financed with ADB, as they are governed by ADB’s policy on PBL.	PSI disclosed, summarizing ADB ES assessment. https://www.aiib.org/en/projects/details/2021/approved/Bangladesh-Sustainable-Economic-Recovery-Program-Subprogram-1.html
Projects under CRF –Sovereign-backed Financing (SBF) Project Document (PD), Q3 2021			

Event	As Outlined in the Directive on Sovereign-backed and Non-sovereign-backed Financings		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Hungary: Emergency Assistance for Healthcare Expenditures (000522)	Sovereign-backed Financing Project Document (SBF PD)	Disclosed after approval of the Financing.	Disclosed two working days after the approval of Financing. https://www.aiib.org/en/projects/details/2021/approved/Hungary-Emergency-Assistance-for-Healthcare-Expenditures.html
India: Creating a Coordinated and Responsive Indian Social Protection System (CCRISP) (000523)*		Non-disclosed MOP prepared for this CRF DPF operation co-financed with WB.	Not applicable.
Jordan: Inclusive Transparent and Climate Responsive Investments Program for Results (the Program or PforR) (000482)*		Non-disclosed MOP prepared for this CRF PforR operation co-financed with WB.	Not applicable.
Azerbaijan: Republic of Azerbaijan COVID-19 Active Response and Expenditure Support (CARES) Program (000505)*		Non-disclosed MOP prepared for this CRF PBL operation co-financed with ADB.	Not applicable.

*These projects were approved in Q3, 2021. For their PSI and ES status, please refer to PPI Q2 2021 report.			
Projects under CRF - Sovereign-backed Financing Project Implementation Monitoring Report (SBF PIMR), Q3, 2021			
Event	As Outlined in the Directive on Sovereign-backed and Nonsovereign-backed Financings		Resulting Disclosure
	Document	Trigger for Disclosure Obligation	
Eight Project Implementation Monitoring Reports were ready for publication.	Sovereign-backed Financing Project Implementation Monitoring Report (SBF PIMR)	SBF PIMRs are ready for publication.	Disclosed. https://www.aiib.org/en/projects/details/2020/approved/Bangladesh-COVID-19-Active-Response-and-Expenditure-Support-Program.html https://www.aiib.org/en/projects/details/2021/approved/Bangladesh-COVID-19-Emergency-and-Crisis-Response-Facility.html https://www.aiib.org/en/projects/details/2020/approved/Bangladesh-COVID-19-Emergency-Response-and-Pandemic-Preparedness-Project.html https://www.aiib.org/en/projects/details/2020/approved/Georgia-Economic-Management-and-Competitiveness-Program-COVID-19-Crisis-Mitigation.html https://www.aiib.org/en/projects/details/2020/approved/India-COVID-19-Emergency-Response-and-Health-Systems-Preparedness-Project.html

			https://www.aiib.org/en/projects/details/2020/approved/Mongolia-COVID-19-Rapid-Response-Program.html https://www.aiib.org/en/projects/details/2021/approved/Sri-Lanka-COVID-19-Emergency-and-Crisis-Response-Facility.html https://www.aiib.org/en/projects/details/2020/approved/Turkey-COVID-19-Credit-Line-Project.html
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Table 8 shows the length of disclosure of the initial PSI and draft environmental and social (ES) information before Board/President approval.

Table 8. Disclosure Measured Against Board/President Approval, Q3 2021

Projects under CRF - NSBF Measured Against Board/President Approval, Q3, 2021		
NSBF	Initial PSI (Calendar days before Board/President Approval)	ES Information (Calendar days before Board/President Approval)
China: FOSUN COVID-19 Vaccine Project (000534)	16	16
Turkey: Turkey Isbank COVID-19 Credit Line Project (000399)	43	43
Average	30	30
Projects under CRF - SBF Measured Against Board/President Approval, Q3, 2021		
SBF	Initial PSI (Calendar days before Board/President Approval)	ES Information (Calendar days before Board/President Approval)

Hungary: Emergency Assistance for Healthcare Expenditures (000522)	49	Not applicable. Under the provisions of Emergency Assistance, the draft Environmental and Social Management Planning Framework (ESMPF) was disclosed within 30 days of loan effectiveness.
India: Creating a Coordinated and Responsive Indian Social Protection System (CCRISP) (000523)*	57	Not applicable. Client environmental and social documentation disclosure requirements do not apply to DPFs co-financed with WB, as they are governed by WB's DPF Policy.
Jordan: Inclusive Transparent and Climate Responsive Investments Program for Results (the Program or PforR) (000482)*	71	71
Azerbaijan: Republic of Azerbaijan COVID-19 Active Response and Expenditure Support (CARES) Program (000505)*	56	Not applicable. Client environmental and social documentation disclosure requirements do not apply to PBLs co-financed with ADB, as they are governed by ADB's policy on PBL.
Average	58	71

1. 2. Requests for Information

1.2.1. Information Requests and Responses

Table 9 shows the status of requests.

Table 9. Status of Information Requests, Q3 2021

Number of information requests received	Number of information requests closed	Percentage of requests closed	Number of outstanding open information requests
106	106	100%	0

Figure 3 shows the number of requests received in Q3 2021.

Figure 3. Number of Requests Received by Month, Q3 2021

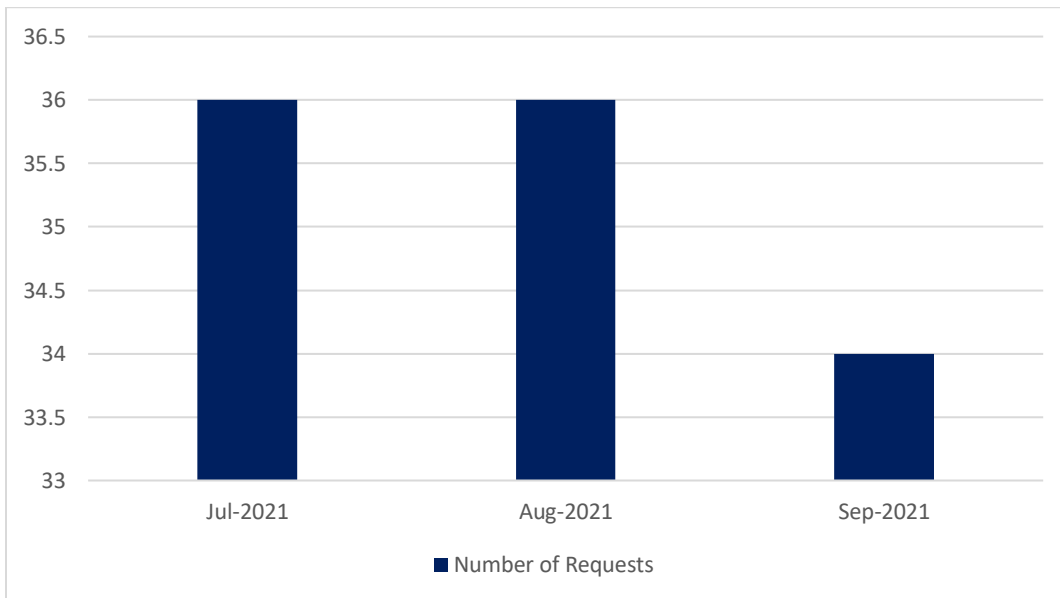


Figure 4 shows the requests per respective category for Q3 2021. Project and career opportunities were among the top categories.

Figure 4. Requests Per Category, Q3 2021

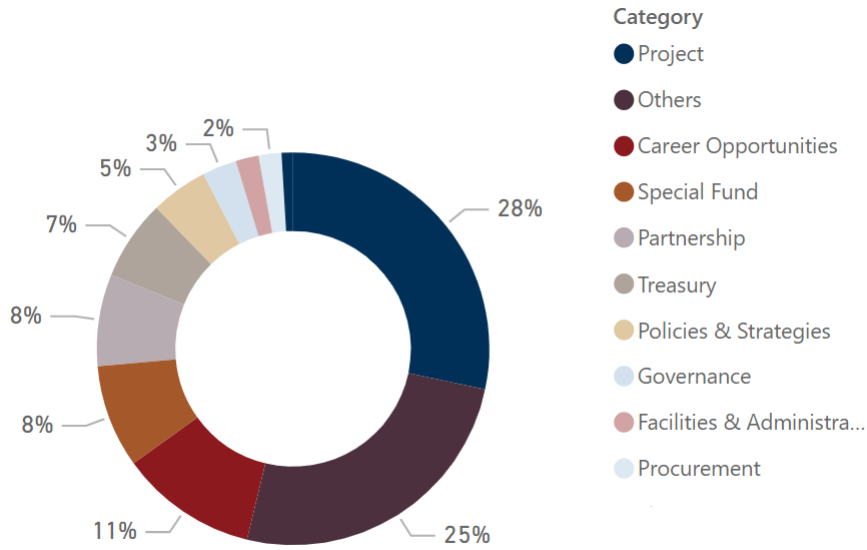


Figure 5 shows the locations of the requesters. China, India and USA were the top three origins of requests.

Figure 5. Top 10 Locations of Requesters, Q3 2021

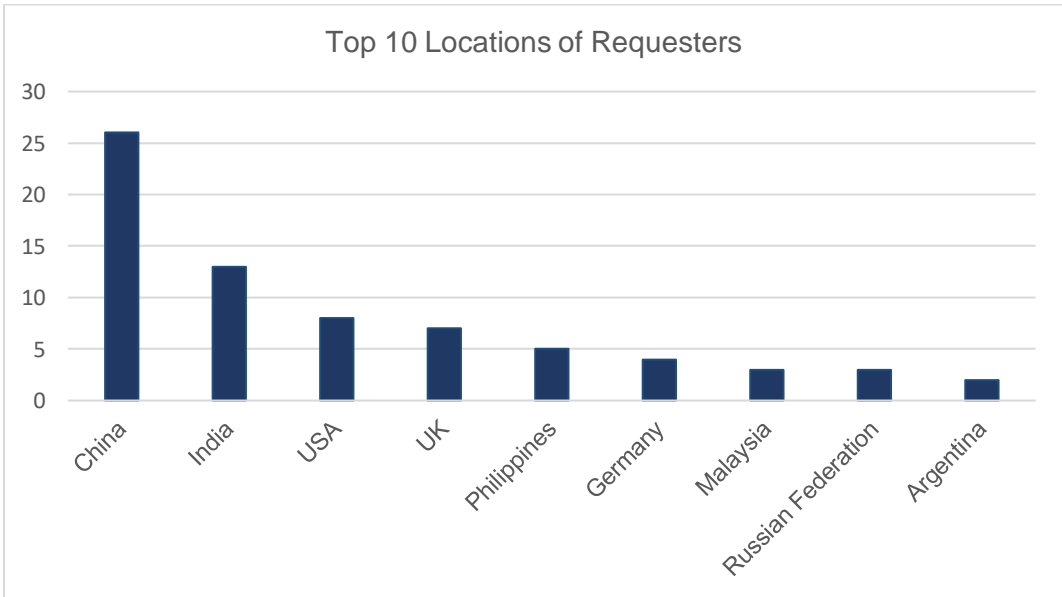
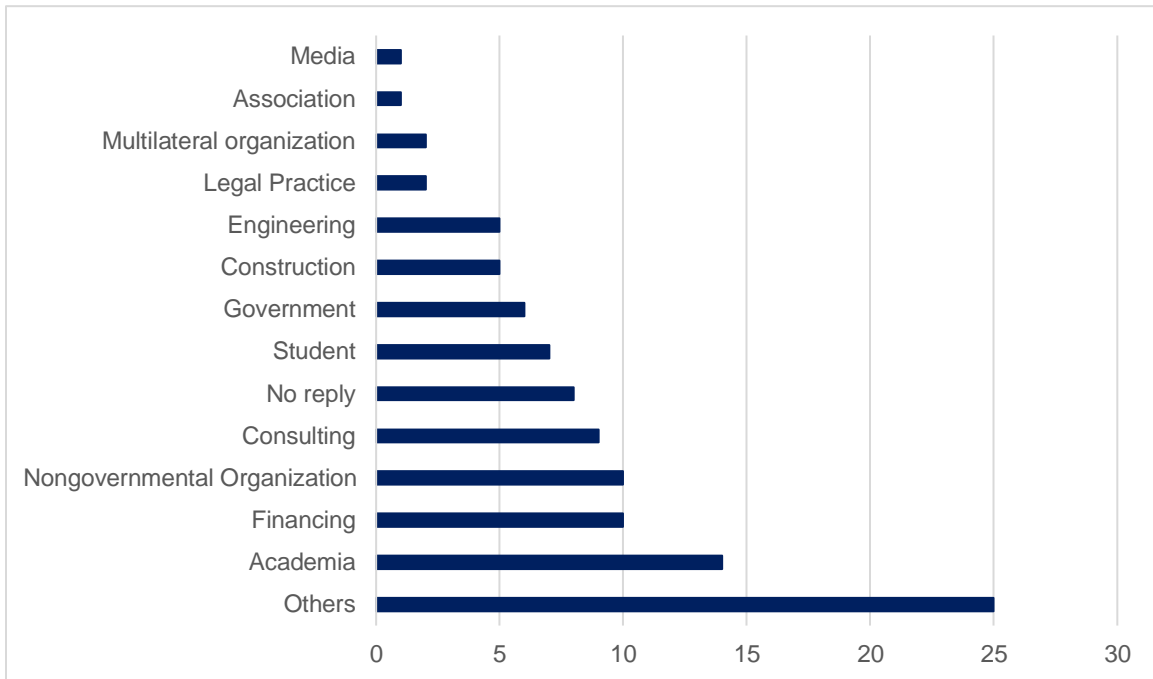


Figure 6 shows the professional background of the requesters. Requesters from academia, financing and nongovernmental organizations composed the top three largest identifiable groups.

Figure 6. Requesters' Professional Background, Q3 2021



1.2.2. Redactions

There were no requests requiring redaction for Q3 2021.

1.2.3. Declined Requests

There were no declined requests for Q3, 2021.

1.2.4. Appeals

There were no appeals during the reporting period.

2. 2021 Review

2.1. Proactive Disclosure

Tables 10-13 summarize the proactive disclosure of financial, institutional and operational information.

Table 10. Proactive Disclosure—Financial Information (Q4 2020-Q3, 2021)

	Number of event triggers	Number of resulting disclosures	% of compliance regarding disclosure	Number of late disclosures	% of late disclosures
Audited annual financial statements, including special funds and trust funds	3	3	100%	0	0
Unaudited condensed quarterly financial statements	7	7	100%	0	0

Table 11. Proactive Disclosure—Institutional Information (Q4 2020-Q3, 2021)

	Number of event triggers	Number of resulting disclosures	% of compliance regarding disclosure	Number of late disclosures	% of late disclosures
Governance	156	156	100%	0	0
Policies, Strategies and Directives, and Amendments to these Documents	11	11	100%	0	0

Table 12. Proactive Disclosure—Project Information—Regular Projects (Q4 2020- Q3 2021)

	Document	Event Trigger	Performance	Comment
Nonsovereign-backed Financing (NSBF)	PSI	The initial NSBF PSI is disclosed on the working day immediately following the Final Review, or at such later date authorized by the Investment Committee in accordance with the Directive.	<p>Number of event triggers: 15 Number of resulting disclosures: 15 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days after the Final Review) Max: 32 Min: -28</p> <p>Number of on-time disclosures: 13 Number of authorized delayed disclosures: 2* Number of non-authorized delayed disclosures: 0</p>	<p>*Singapore: Asia Infrastructure Securitization Program (000492): Disclosed 32 working days after the Final Review as approved by the Investment Committee due to commercial sensitivity.</p> <p>*Multicountry: STIC Asia Infrastructure Innovation Fund (000480): Disclosed 20 working days after Final Review as approved by the Investment Committee due to commercial sensitivity.</p>
	E&S	The draft environmental and social documentation is disclosed by the Bank as part of the NSBF PSI.	<p>Number of event triggers: 6 Number of resulting disclosures: 6 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days) Max: n/a Min: n/a</p> <p>Number of on-time disclosures: 6 Number of authorized delayed disclosures: 0 Number of non-authorized delayed disclosures: 0</p>	

Sovereign-backed Financing (SBF)	PSI	Initial PSI is disclosed promptly after the Concept Review.	<p>Number of event triggers: 16 Number of resulting disclosures: 16 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days after the Concept Review) Max: 4 Min: 0</p> <p>Number of on-time disclosures: 16 Number of authorized delayed disclosures: 0 Number of non-authorized delayed disclosures: 0</p>	
	E&S	Disclosed as part of the SBF PSI prior to the Appraisal Review.	<p>Number of event triggers: 19 Number of resulting disclosures: 19 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days before Appraisal Review) Max: 225 Min: 0</p> <p>Number of on-time disclosures: 19 Number of authorized delayed disclosures: 0 Number of non-authorized delayed disclosures: 0</p>	
	PD	Disclosed after approval of the financing.	<p>Number of event triggers: 15 Number of resulting disclosures: 15 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days after approval of the Financing)</p>	

			<p>Max: 3 Min: 0</p> <p>Number of on-time disclosures: 15 Number of authorized delayed disclosures: 0 Number of non-authorized delayed disclosures: 0</p>	
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Table 13. Proactive Disclosure—Project Information—CRF Projects (Q4 2020 - Q3 2021)

	Document	Event Trigger	Performance	Comment
Nonsovereign-backed Financing (NSBF)	PSI	Disclosed promptly after the financing proposal has passed the Investment Committee Review.	<p>Number of event triggers: 3 Number of resulting disclosures: 3 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days after the Final Review) Max: 5 Min: -83</p> <p>Number of on-time disclosures: 3 Number of authorized delayed disclosures: 0 Number of non-authorized delayed disclosures: 0</p>	The disclosure days vary from project to project because some major parameters of the projects were not fixed at the time of screening, given the projects' emergency nature.
	E&S	Disclosed through the NSBF PSI.	<p>Number of event triggers: 1 Number of resulting disclosures: 1</p>	
Sovereign-backed	PSI	If the Screening Committee has approved a single	<p>Number of event triggers: 18 Number of resulting disclosures: 18</p>	The disclosure days vary from project to project because some major parameters of the projects

Financing (SBF)		Appraisal Review in lieu of a Concept Review and Appraisal Review, the initial PSI is disclosed promptly after the Financing has been approved for inclusion in the investment pipeline.	<p>% of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days after Screening Committee Review) Max: 112 Min: 3</p>	were not fixed at the time of screening, given the projects' emergency nature.
	E&S	Disclosed prior to the Appraisal Review.	<p>Number of event triggers: 6 Number of resulting disclosures: 6 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days before Appraisal Review) Max: 82 days after Appraisal Review Min: 10 working days before Appraisal Review</p> <p>Number of on-time disclosures: 3 Number of authorized delayed disclosures: 1* Number of non-authorized delayed disclosures:0</p>	*Hungary: Emergency Assistance for Healthcare Expenditures (000522): The ES documents were disclosed 82 days after the Appraisal Review. Under the provisions of Emergency Assistance, the draft Environmental and Social Management Planning Framework (ESMPF) was disclosed within 30 days of loan effectiveness.
	PD	Disclosed after approval of the Financing.	<p>Number of event triggers: 7 Number of resulting disclosures: 7 % of compliance regarding disclosure: 100%</p> <p>Time for disclosure (working days after approval of the Financing) Max: 13 Min: 0</p> <p>Number of on-time disclosures: 7</p>	

			Number of authorized delayed disclosures: 0 Number of non-authorized delayed disclosures: 0	
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2.2 Request for Information

2.2.1 Requests and Responses

From Q4 2020 to Q3 2021

Number of information requests received	Number of responses closed	Percentage of requests closed	Number of outstanding open information requests
284	284	100%	0

Figure 7: Number of Requests Received by month—Q4 2020 to Q3 2021

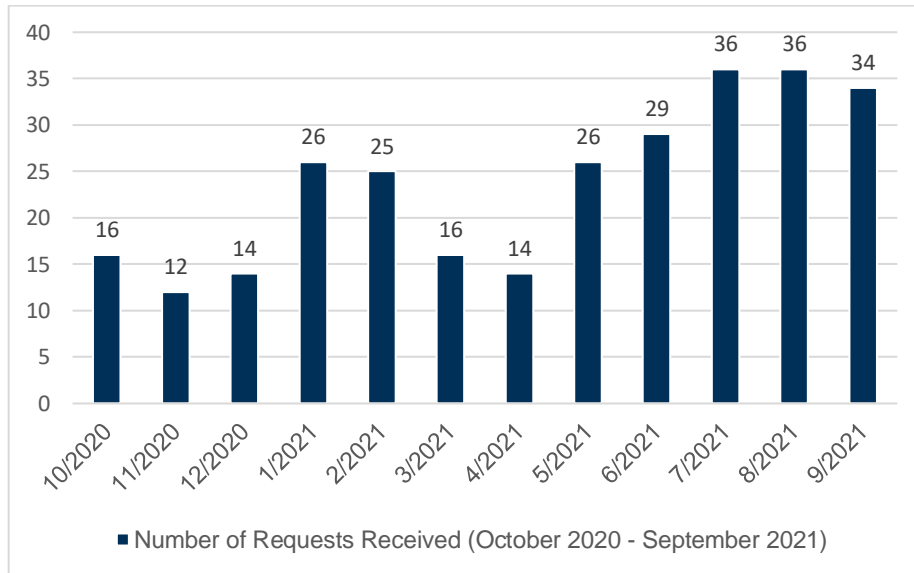


Figure 8: Request Categories—Q4 2020 to Q3 2021

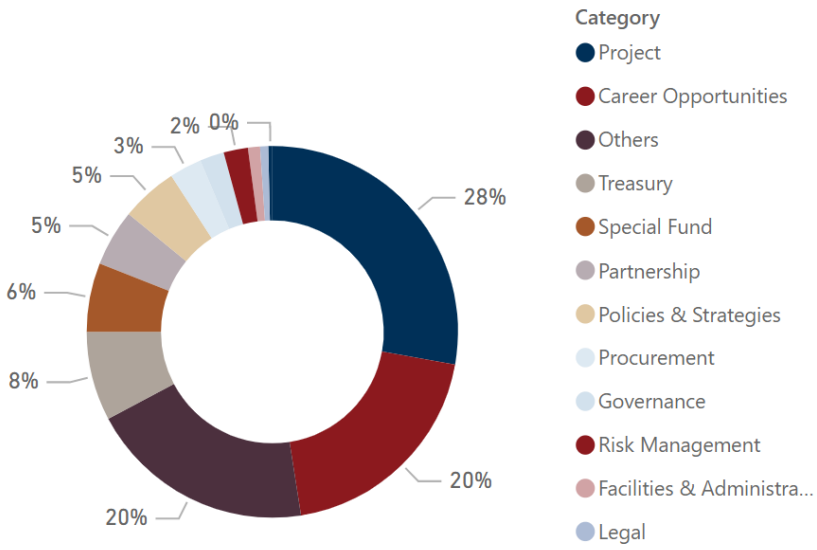


Figure 9: Top 10 Locations of Requesters—Q4 2020 to Q3 2021

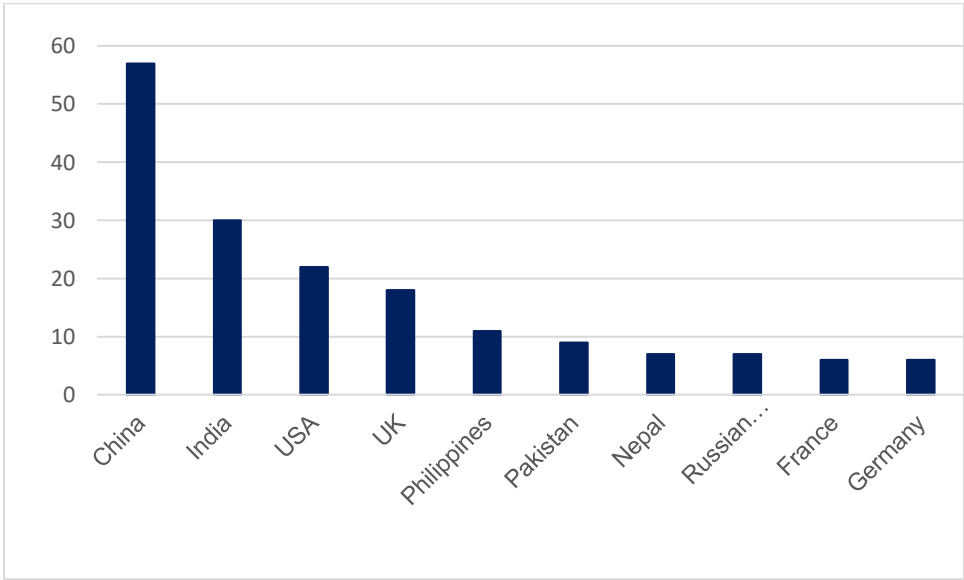
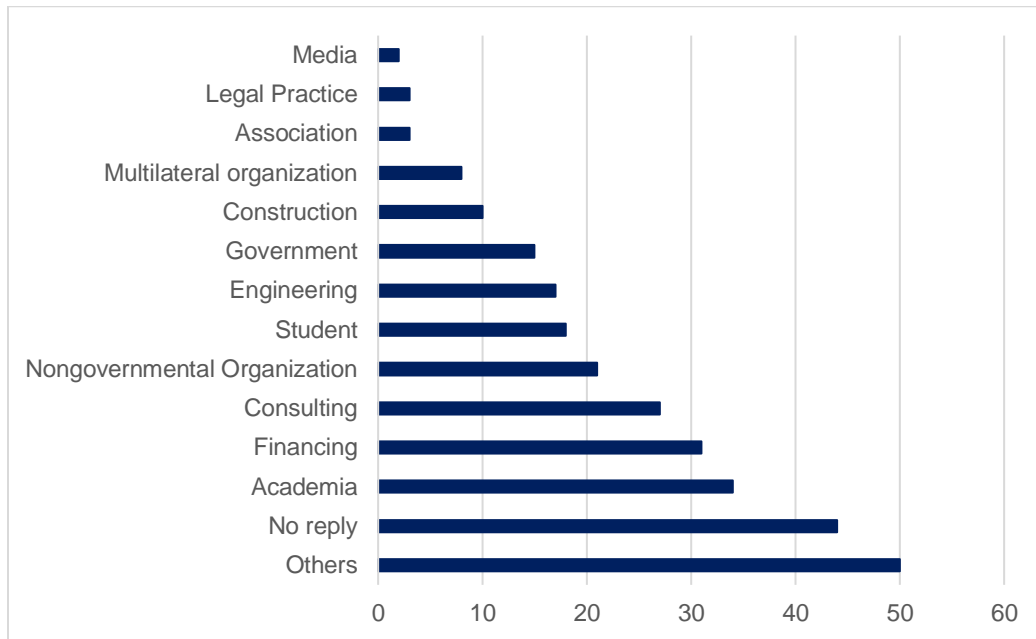


Figure 10: Requesters' Professional Background—Q4 2020 to Q3 2021

2.2.2 Redactions

During the reporting period, there was no request requiring redaction.

2.2.3 Declined requests for information

During the reporting period, there was one declined request that has been reported in [Q2 2021 report](#).

2.2.4 Appeals

There were no appeals during the reporting period.

2.3. Conclusions and Improvements

Compliance with the PPI, its Directive and other Directives that govern the disclosure of information remains high, with the vast majority of information being disclosed in line with established requirements. This holds true for requests for information, which continue to meet the timelines set in the PPI Directive.

The volume of institutional information (governance, strategies, policies, directives) remains steady (167) compared with the last reporting period (163). The amount of operational information (PSI, ES & PD) triggered for disclosure dropped from 123 to 106.

The number of requests for information increased starting in June 2021, but the total amount for the one-year period remains at a low level, compared to previous years.

To improve data collection on who is requesting information, the categories of professional background were expanded to be more inclusive. However, approximately 33 percent of requestors opted not to disclose this information.

A section on terminated/cancelled projects was added on the project page, which improves transparency of project information disclosure.

Continuous efforts were made to improve the quality and the timeliness of responses to information requests.

In parallel, the Bank is actively developing an Investment Management Information System (IMIS) to support AIIB's investment operations across the project cycle. The system will track project level information and documentation management and takes consideration of disclosure features in its design. Once launched, it can further enhance compliance and facilitate the tracking of project information disclosure.

3. PPI Three-Year Evaluation and Recommendation

The following section outlines AIIB Management's examination of the effectiveness of the PPI, using the following benchmarks (1) disclosure, (2) reputation and (3) responsiveness to requests for information.

3.1. First Benchmark: Event-Based Disclosure

The PPI employs event-based information disclosure triggers as its primary disclosure mechanism. Event-based disclosure occurs when the publication of information is determined by specific events, such as the President's approval, a decision from the Board of Directors or the Board of Governors or a project reaches certain stages in the approval process. When one of the events occurs, it triggers the disclosure of the relevant documents.

To further strengthen disclosure requirements, time requirements are stipulated in the PPI Directive. This ensures that disclosure is closely bound to the event trigger so that timely dissemination of information is maintained. Based on AIIB's three-year experience with proactively disclosing information, this approach has proven to be an effective method for the Bank to live up to its ambitions on transparency and good governance.

Financial Information Disclosure

The clear and established timetables for financial disclosures means there has been no change in the volume of documents disclosed over the course of the PPI's three-year implementation. There has been 100-percent compliance with the required event triggers as set out in the PPI Directive.

Institutional Information Disclosure

The volume of institutional documents has risen significantly from 2018 when the PPI was first approved – from 23 to 151 in the first full year of implementation, or an increase of more than 650 percent, although the numbers have since levelled off. Despite this sharp increase, AIIB was able to achieve 100-percent compliance with the time requirements set in the PPI Directive.

After three years of implementation, the timelines for disclosure following the trigger are fit-for-purpose. Governance documents that reflect changes to shareholder information or membership are disclosed immediately upon notification. Disclosure of strategies, policies and frameworks have a 10-working day buffer to allow for any changes requested by the Board to be incorporated before public disclosure. To date, AIIB has been able to successfully deliver within this timeframe without compromise.

Operational Information Disclosure

Three different policies govern the disclosure of operational documents: the PPI, the Operational Policy on Financing (OPF) and the Environmental and Social Framework

(ESF). However, to make it easier for the public to understand AIIB's disclosure rules, the PPI Directive consolidates all these requirements in one place. The quarterly PPI reports also include how AIIB is performing relative to the Bank's disclosure requirements, regardless of which policy governs it.

The coordination of this reporting, even though not a requirement, has served to lend clarity, transparency and better understanding of AIIB's approach to disclosure. The process of tracking this information supports the effective and efficient processing of documents for disclosure by providing regular feedback to document owners. It also provides timely updates to the Board and the public on AIIB's ability to live up to its transparency commitments.

A review of data over the reporting period indicates that the disclosure requirements under the OPF for Project Documents were complied with in 100 percent of the cases. The detailed triggers for disclosure of Project Summary Information (which incorporate environmental and social documentation) are set out in the Directives accompanying the OPF and ESF³ and are as follows: (i) for Projects supported by Sovereign-backed Financings, the trigger is prior to Appraisal Review; and (ii) for Projects supported by Non-sovereign-backed Financings, the trigger is one working day following Final Review. As an exception to these triggers, the ESF allows for deferral of disclosure under specified circumstances. All but three projects met these requirements.

Of the three cases that did not meet the disclosure requirements, two of them disclosed the environmental and social documents within a reasonable timeframe of only two to three days after the disclosure trigger. Only one project experienced a longer delay of 12 days. However, since elements of the environmental and social impacts of all projects are included in the Project Summary Information documents, and the environmental and social documents were already publicly available on the clients' websites, the important information contained in these documents was still accessible.

The recent changes to the ESF in 2021 to add time-bound disclosures to the release of environmental and social documents show an evolution of how AIIB is embedding transparency into its operations. The operationalization of these new requirements will be tracked in the quarterly PPI reports for projects covered by the 2021 ESF.

3.2. Second Benchmark: Reputation

The commitment to transparency stated in the Articles of Agreement indicate AIIB's ambition to be viewed as a bank that operates at par with its peer MDBs. This is then reflected in the three principles of the PPI (i.e., Presumption in Favor of Disclosure, Duty

³ For the purposes of this evaluation, reference is made to the 2016/2019 ESF that applies to the existing portfolio evaluated, rather than the recently approved revised ESF (May 2021), which only became effective in October 2021, and applies to new projects entering the Bank's pipeline on or after October 1, 2021.

of Proactive Disclosure and Non-Discrimination and Equal Treatment of Disclosure Requests). These act as a proof point on how the Bank is institutionalizing strong international standards into how it is governed. These are key contributors to AIIB's brand as a multilateral institution that applies best practices. For this reason, Management believes the impact the PPI has on the Bank's reputation is a relevant benchmark to inform this recommendation. Examining how successful AIIB has been at approving a policy that is functionally similar with other MDBs—plus analyzing how it is being perceived by external stakeholders—is a mechanism via which we can assess if the current policy framework achieves this goal.

The following analysis found that the PPI and how it is being implemented contributes a positive halo effect to AIIB's reputation. This suggests the application of the current PPI does meet the public's expectations.

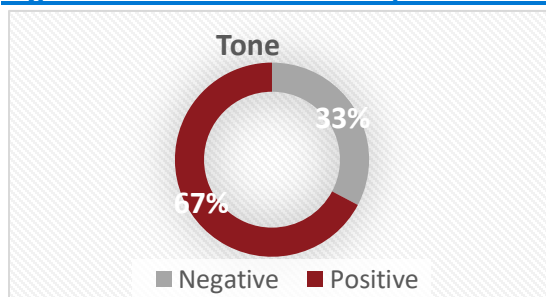
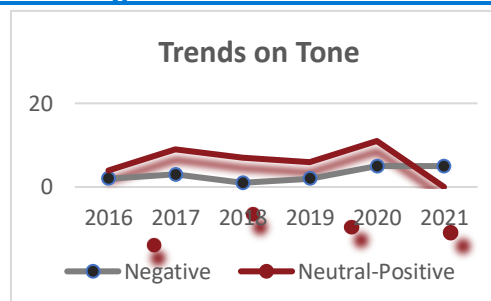
Media Analysis

AIIB conducted an analysis of 2,500 media reports published from January 2016 to June 2021. From this body of work only 2.2 percent (55) were considered highly relevant to AIIB. The rest were predominantly articles where AIIB is mentioned in passing rather than being the focus of the piece.

Most of the discourse is about AIIB's policies on information disclosure, but there are no specific issues related to AIIB's corporate transparency policy. While there has been general skepticism about the Bank's transparency, none of the media reports referenced precise pain points on corporate-level disclosure. Media reports were more likely to reference time-bound disclosure requirements for environmental and social documents or disclosure of sub-projects under financial intermediary investments. One example of a low-quality response to a request for information has been highlighted by civil society, but this dates back prior to the approval of the PPI. Since then, AIIB has adopted process and quality improvements to mitigate a recurrence.

The findings support two insights. First, any questions about AIIB's commitment to transparency are largely focused on investment operations and there is less interest paid to institutional and governance documents. Second, based on the small amount of media coverage on this topic, overall, there is not a prominent level of public interest on the subject.

Of the 55 relevant articles, 67 percent were neutral to positive, and 33 percent were negative. The positive articles examine how AIIB has progressed on its transparency journey considering the Bank has only finished its startup years. Among the 33 percent negative pieces, a portion were related to or triggered by AIIB's updates on its ESF or were specific to a particular project. Commentary on AIIB's corporate approach to disclosure and the PPI is rarely if ever covered by the media.

Figure 11. Tone of Media Reports on AIIB**Figure 12. Trends on Tone of Media**

This analysis suggests the PPI is contributing positively to AIIB's reputation in two thirds of the media reports related to this topic, although it should be noted there is no broad awareness or discussion about the policy in the public discourse.

Benchmarking Exercise

A comparison of the disclosure policies of the major MDBs finds that AIIB's PPI is functionally at par with its peers. The public interests being protected are similar, including lists of proactively disclosed documents. The handling of third-party information is also consistent.

Differences include more frequent reporting by AIIB compared to the other banks and others are more likely to also post a negative disclosure list while AIIB does not publish a negative list due to its interest-based approach to disclosure. One other difference of note is engagement with the International Aid Transparency Initiative (IATI). IATI's mission is to improve the transparency of development and humanitarian resources. Most MDBs formally report their data through IATI. The data is open-sourced, which is then made available to governments and other development actors who use it to develop more data-driven and informed decision making. At this time AIIB has only had preliminary engagements with IATI. No reporting relationship has yet been established since AIIB is still in the early stages of collecting and monitoring its disclosure practices.

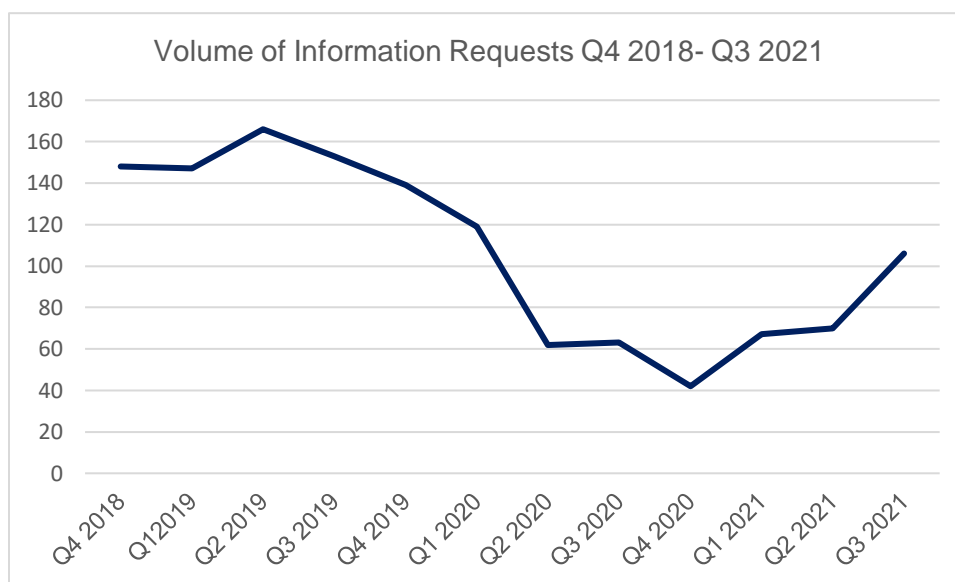
3.3. Third Benchmark: Review of Requests for Information

Based on the volume of information requests received, high compliance with the PPI Directive and the results of a web user survey conducted by AIIB, suggest there are no pressing gaps in the Bank's responses to requests for information that need to be addressed at this stage of the Bank's development.

In the first 12 to 18 months of policy implementation, AIIB processed a steady number of information requests with very high (over 99 percent) compliance of requests responded to within the 30 working days timeframe set out in the PPI Directive. However, beginning in 2019, a decline in volume of requests is evident, which could be explained by changes made to the AIIB website to make information more easily accessible. At the outset of

2020, there was an even sharper decline in the volume of requests received, most likely due to the start of COVID-19. Numbers remained low through the rest of 2020.

Figure 13. Volume of Information Requests Received, Q4 2018-Q3 2021



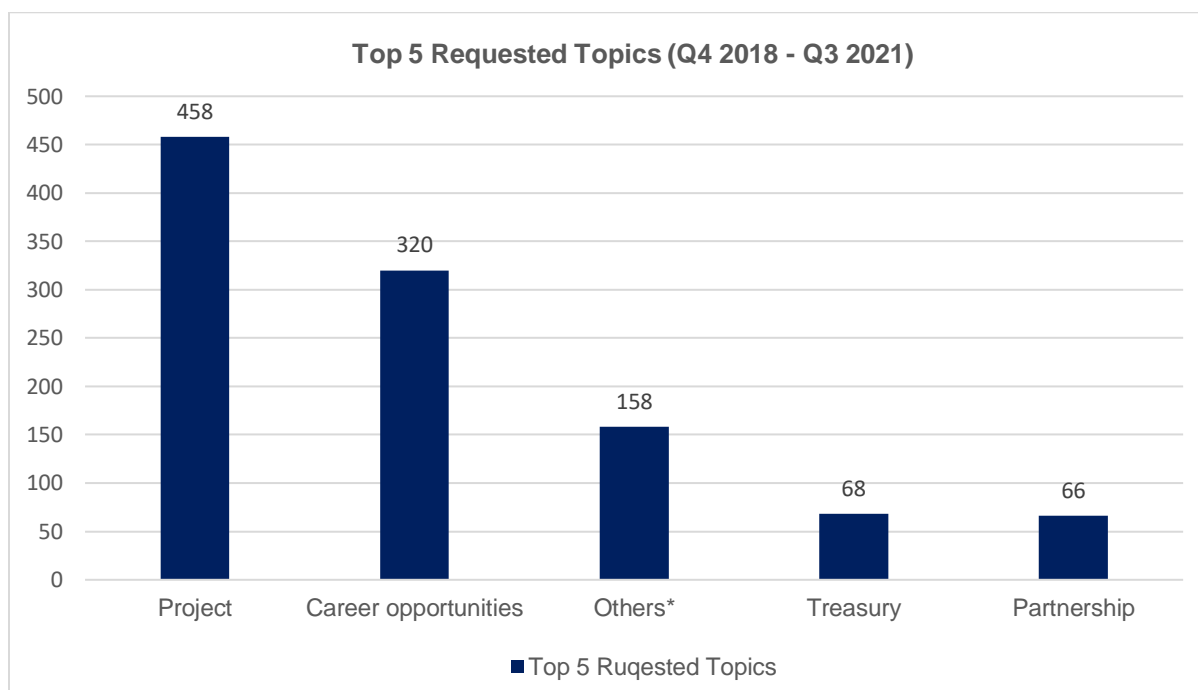
Small adjustments to the system have improved data capture, automated response requirements around the appeals process, and strengthened internal workflows and quality control.

The receipt and processing of information requests have been affected by several system breakdowns. In 2019 it was discovered as a result of a complaint that responses were not being sent to requestors, even though they were logged as sent in the system. In 2021, it was discovered through regular system testing that the system was not accepting any new requests for information. The issues were quickly addressed upon discovery, but these breakdowns do pose operational and reputational risks for AIIB. Going forward, the Bank is looking into the feasibility of a more stable information request portal as part of the AIIB website revamp that will begin delivery in 2022.

The nature of information requests received also provided insights into the kind of information most sought after by visitors to the website. This was then validated by a website user survey. Interest in careers and projects regularly tops the list of most requested topics. Students, job seekers, academics and private companies make the most requests. To respond to visitors' needs, the project pages on the website were updated in 2020 to make it easier to search for projects and find key documents and procurement information. Case studies and multimedia are also being incorporated over time to improve the website's ability to communicate the impact of AIIB's investments and their value addition to the development ecosystem.

To address questions about careers and work life at AIIB, the career opportunities page is being redesigned to include updated information about AIIB's culture and mission.

Figure 14. Top Five Topic Requests Received, Q4 2018-Q3 2021



*"Others" include requests for contact information, interview, research and questions unrelated to AIIB's businesses such as application for scholarship and advertising and marketing email.

Information Classification System

The Directive on the Information Classification System (ICS) was approved by the President on December 21, 2018. The ICS classification scheme allows staff to label documents to facilitate their handling, storage and sharing based on the sensitivity of the content. Implementation of the ICS Directive led to a cultural shift within the Bank on how to handle information. Where previously documents were classified based on staff judgement, there are now four defined levels of classification: Public, Official Use Only, Restricted and Strictly Confidential.

Now all documents and records submitted in the Bank's Digital Archives are required to be classified, which facilitates easy identification of public documents for disclosure. Since the launching of the PPI and the ICS Directive, joint training sessions, one-on-one training and awareness sessions have been organized for new and existing staff.

Application of Exceptions

Only nine requests for information have been declined and one request has been partially declined, representing one percent of total requests over the implementation period. Only one redaction and one partially declined request have been recorded since the PPI was approved. Both indicators suggest the exceptions under the PPI are being used sparingly and the principle of transparency is being upheld. In its denials of information requested, AIIB identifies the exception in the PPI under which the denial falls, and provides information on how to appeal the decision.

During the first three years of implementation of the PPI, the override provision has never been used.

Appeals

To date, no appeals have been filed under the PPI. One challenge AIIB is facing is recruiting for the position of Information Expert as outlined in the PPI, despite efforts to find a qualified individual to fill the role. The Bank will continue to search for a suitable candidate.

3.4. Conclusions

The PPI's approval in September 2018 institutionalized a strong framework for disclosure for AIIB. The frequent reporting serves to hold AIIB accountable for its commitment and enables the Board of Directors to closely monitor the Bank's implementation of its disclosure requirements—not just under the PPI but also the relevant disclosure provisions of the Bank's operational policies.

The successful implementation of the PPI as outlined above strengthens the perspective that AIIB takes its commitment to transparency seriously and is making the necessary investments and decisions to live up to its Articles of Agreement. This commitment to transparency is being reflected in the public discourse about the Bank.

As seen in the benchmarking exercise, the Bank is still broadly aligned with its peers. This is a concrete example of how AIIB operates to the same standards as other MDBs and supports the reputation building AIIB needs to maintain as it transitions from its startup to growth years.

However, while Management has concluded AIIB is performing adequately on its proactive disclosure commitments, this should not be interpreted as ignorance towards opportunities the Bank has to make improvements. The introduction of new systems that will automatically publicize project documents will enhance the timeliness and accuracy of information sharing. The integration of a digital archive with the Bank's website will increase public access to and awareness of the information AIIB holds. Ongoing training and diligence are also necessary to ensure documents are appropriately classified based on the principles of the PPI to promote maximum transparency.

Rigorous implementation of the PPI and its related Directive must be coupled with regular information sharing and training to ensure AIIB stays abreast of developments in

information disclosure trends and best practices. Looking towards the next three years, Management will take these opportunities for further improvement into consideration to ensure the Bank does not rest on its laurels but continues to grow as a transparently run institution.

In conclusion, AIIB Management recommends that a formal review of the PPI is not necessary at this time since the policy meets the transparency expectations of the public and AIIB's operational needs. Management will revisit this recommendation and report to the Board in three years' time.