



**Report on  
Implementation of the Policy on Public Information  
Q4, 2018**

**1. Introduction**

Oct. 1, 2018 to Dec. 31, 2018 marks the first quarter since the Asian Infrastructure Investment Bank (AIIB) adopted the Policy on Public Information (PPI) and the Directive on Public Information (Directive).

The PPI enhances AIIB's commitment to transparency and accountability—two major pillars of AIIB's governance.

It increased the reporting schedule from annual to quarterly to strengthen the Board's oversight role on implementation of the PPI and ensures adherence to its principle of proactive disclosure.

The adoption of PPI is further proof of AIIB's resolve to be a 21<sup>st</sup> century bank of high international standards.

To help external stakeholders better understand the PPI and the Directive, the Bank launched a PPI microsite on Oct. 11, 2018 to provide additional explanations, definitions, examples and charts for some of the key terms of the PPI and its Directive.

**Enhancements since launch**

The Directive on the Information Classification System was approved by the President on December 21, 2018. It provides rules for handling information throughout a document's lifecycle based on the classification of the content's sensitivity category, which supports the implementation of the PPI.

An internal training plan was developed to raise awareness amongst AIIB staff about compliance with the PPI, which includes workshops on information disclosure for different departments and the launch of an e-learning platform in 2019. The training is conducted in collaboration with the Records and Information Management team to help staff understand the connections between information classification and disclosure.

Technical enhancements to the electronic request portal, aimed at strengthening monitoring of the responses to requests for information, and improving user experience and data quality, were completed in December with an official cutover scheduled in January.

This report covers the period from Oct. 1 - Dec. 31, 2018.

## 2. Proactive Disclosure

Proactive disclosure is a key aspect reflecting AIIB's commitment to transparency and openness. The PPI takes the duty of proactive disclosure as one of its guiding principles governing AIIB's disclosure of information to the public. It requires the Bank to proactively disclose information within three event categories: financial, institutional and operational events.

### 2.1 Financial Information

The Auditor's Review Report Condensed Financial Statements (Unaudited) for the nine months ended Sep. 30, 2018 was approved by the President on Nov. 15, 2018 and was published on Nov. 16, 2018.

### 2.2 Institutional Information

During the reporting period, AIIB published institutional information in line with the timelines set by the Directive. Table 1 shows the disclosure of governance information. Table 2 shows the disclosure of Policies, Strategies and Directives.

**Table 1:** Proactive Disclosure: Governance

Items	Disclosure
Membership of Togo, Serbia, Morocco, Libya, Ghana, Algeria	Upon effective change.
Board of Governors Resolution 67-74	Within three working days after adoption.
Names and Positions of Governors	Upon the formal appointment by the relevant Member.
Minutes of the Meeting of the Board of Directors held on December 18, 2018	Within three working days after approval by the Board.
Minutes of the Meeting of the Board of Directors held on December 5-7, 2018	Within three working days after approval by the Board.
Names and Nationalities of members of Directors, Alternate Directors	Upon effective nomination and appointment.
Members of the Committees of the Board of Directors	Within three working days after the changes.
Names and Biographies of the Panelists of the International Advisory Panel	Within three working days after formal notification to the Bank of the changes.

**Table 2: Proactive Disclosure: Policies, Strategies and Directives**

Items	Disclosure
2019 Business Plan and Budget Summary	Within 10 working days after approval by the Board.
Sustainable Cities Strategy	Within 10 working days after approval by the Board.
Policy on the Project-affected People's Mechanism	Within 10 working days after approval by the Board.
Directive on the Project-affected People's Mechanism	Within 10 working days after approval by the President.
Draft Rules of Procedure of the Project-affected People's Mechanism	Within 10 working days after approval by the Managing Director of the Complaints-resolution, Evaluation and Integrity Unit.
Directive on the Risk Appetite Framework	Upon approval by the President.
Directive on Capital Adequacy and Stress Testing	Upon approval by the President.
Directive on Designation of Signatory Authority	Upon approval by the President.
Directive on Corporate Procurement	Upon approval by the President.
Directive on Asset Management	Upon approval by the President.
Directive on Valuation of Financial Instruments	Upon approval by the President.
Directive on Operational Risk Management	Upon approval by the President.
Directive on Sovereign Risk Rating	Upon approval by the President.
Directive on the Information Classification System	Upon approval by the President.
Directive on Anti-Money Laundering and Combating the Financing of Terrorism	Upon approval by the President.

### 2.3 Operational Information

The Directive requires the following operational information to be proactively disclosed by AIIB: Nonsovereign-backed Financing Project Summary Information (NSBF PSI), Sovereign-backed Financing Project Summary Information (SBF PSI), Sovereign-backed Financing Project Document (SBF PD), Client's draft environmental and social documentation of Nonsovereign-backed Financings (NSBF) and client's draft environmental and social documentation of Sovereign-backed Financings (SBF).

This report covers the disclosure of six projects approved by the Board of Directors between Sept. 28 and Dec. 31, 2018, including five sovereign-backed financings and one nonsovereign project. It also covers one proposed sovereign project, which passed concept review during the reporting period.

#### 2.3.1 NSBF PSI

The Annex to the Directive indicates that the PSI of nonsovereign-backed financing projects is disclosed on the working day immediately following the Final Review.

The PSI of the nonsovereign project, namely the AIIB Asia ESG Enhanced Credit Managed Portfolio project, was posted two calendar days following the Final Review.

If measured against the date of Board approval, the disclosure was 34 calendar days before Board approval.

#### 2.3.2 SBF PSI

The Annex to the Directive indicates that the PSI of sovereign-backed financing projects is disclosed promptly after Concept Decision.

Data shows that the average length of disclosure of the PSI of sovereign projects was 30 calendar days after Concept Decision. The longest period was 49 calendar days (Mandalika) and the shortest was 20 calendar days after Concept Decision (Andhra Pradesh Urban Water).

If measured against the date of Board approval, the average length was 155 calendar days, with the longest being 219 calendar days (Andhra Pradesh Urban Water) and the shortest being 79 calendar days (Egypt Sustainable Sanitation).

The PSI of the proposed project, namely, the Tamakoshi V Hydroelectric Project (TV-HEP), was disclosed three calendar days after Concept Decision.

The five Sovereign-backed Financings assessed in this quarterly update were all approved by the Investment Committee at Concept Review prior to Board approval of the Policy and Directive on Public Information. Since the Policy was approved, Management has put in place improved systems to ensure information on operations is disclosed in line with the requirements of the Directive.

### **2.3.3 SBF PD**

The PD of three projects were disclosed on the eighth working day after Board approval due to a holiday break in between.

The PD of two projects were disclosed on the same day of Board Approval.

The disclosure of PD averaged five working days after Board approval.

### **2.3.4 NSBF E&S Documents**

For the nonsovereign project, which is the AIIB Asia ESG Enhanced Credit Managed Portfolio Project, the project team will work with the asset manager to develop a best-in-class ESG framework that is more suitable for capital markets investment. Following the mandating of the asset manager, the ESG framework will be disclosed on AIIB's website.

### **2.3.5 SBF E&S Documents**

For sovereign-backed financings, Paragraph 57 of the [Environmental and Social Policy](#) requires the clients to disclose draft E&S documents prior to appraisal and Paragraph 58 requires the Bank to post online the client's documents prior to appraisal.

In terms of disclosure by clients or co-financiers, the draft environmental and social documents of four standalone projects were published on the respective clients' website before appraisal and the documents of one co-financed project was published on the co-financier's website before appraisal.

In terms of disclosure on the Bank's website, three out of the five projects had the E&S documents posted on the AIIB's website prior to appraisal.

For the other two (TSKB and Mandalika), the E&S documents of the Mandalika project were posted after appraisal (due to technical reasons) although they had already been

posted on the client's website. Of note is that for this particular project, information had already been widely available over a period of several years prior to AIIB's entry to the project, as it had been considered by another MDB.

For the TSKB project, AIIB initially posted the PSI 107 days prior to Board approval, adding the link to the Client's website in an update to the PSI posted 34 days after Board approval."<sup>1</sup>

Excluding TSKB, E&S documents of the other four projects were posted 63 calendar days on average before Board approval. The shortest length was 45 calendar days before Board approval and the longest was 79 calendar days before Board approval.

Table 3 and 4 shows the disclosure of the project information measured against the Directive.

Table 5 shows the disclosure of the project information measured against the Board approval date.

The time lengths of information disclosure varied depending on whether the project is sovereign or nonsovereign, the readiness of the projects and the timing of entry by AIIB.

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<sup>1</sup> The TSKB's Board of Directors approved a Sustainability Management System in 2012 (<http://www.tskb.com.tr/en/sustainable-banking/tskb-sustainability-management-organization/tskb-sustainability-management-system>), which has since been continually updated. Its development has been supported by several IFIs, and it has been accepted for use by a number of the AIIB's peers (IFC, EBRD, IBRD) in the scope of their on-lending to TSKB. It has been posted on its web site since approval.

**Table 3: Nonsovereign-backed Financing Disclosure measured against the Directive**

<b>Type of Operational Information</b>	NSBF Project Summary Information	NSBF Client E&S Doc
<b>Requirement under the Directive</b>	On the working day immediately following the Final Review.	At the same time as the NSBF PSI.
<b>Disclosure</b>	Calendar days after the Final Review	Calendar days after the Final Review
<b>ESG (000152)</b>	2	Pending

**Table 4: Sovereign-backed Financing Disclosure measured against the Directive**

<b>Type of Operational Information</b>	SPF Project Summary Information	SBF Client E&S Documents	SBF Approved Project Documents
<b>Requirement under the Directive</b>	Promptly after the Concept Decision.	Prior to appraisal.	After Board/President approval.
<b>Disclosure</b>	Calendar days after Concept Decision	Calendar days before Appraisal	Working days after Approval
<b>A.P. Rural Roads (000063)</b>	22	3	7
<b>Egypt Sustainable Sanitation (000052)</b>	23	26	7
<b>TSKB (000132)</b>	34	-177*	7
<b>Mandalika (000069)</b>	49	-222*	0
<b>A.P. Urban Water (000079)</b>	20	12	0
<b>Average Days</b>	30	14, excluding the ones disclosed after appraisal.	5
<b>Nepal Tamakoshi (00026)</b>	3	Pending	Pending

\*Published 177 days after Appraisal on AIIB's website, the E&S documents had been available on the client's website before appraisal. See footnote 1.

\*Published 222 days after Appraisal on AIIB's website, the E&S documents had been available on the cofinancier's website before appraisal. See paragraph 4 under 2.3.5.

**Table 5:** Project and E&S Information measured against Board Approval date

<b>Types of Information</b>	NSBF PSI	SBF PSI (Approved Projects)	SBF PD	NSBF Documents E&S	SBF Documents* E&S
<b>Average Days of Disclosure Before Board Approval</b>	34 calendar days	155 calendar days	5 working days	Pending	63 calendar days
<b>Longest Length of Disclosure Before Board Approval</b>	34 calendar days	219 calendar days	8 working days	Pending	79 calendar days
<b>Shortest Length of Disclosure Before Board Approval</b>	34 calendar days	79 calendar days	0 working days	Pending	45 calendar days

\* Excluding the one with disclosure after the Board approval.

### 2.3.6 Procurement

The Bank continued to publish corporate and project procurement opportunities regularly on its website. An E-procurement solution for corporate procurement is under development to allow suppliers to register online.

Proposals from the shortlisted vendors for the Project Procurement Portal have now been received and are being evaluated. It is expected that the contract will be placed by March 29th. Development and implementation of the portal is expected to be completed by end Q4, 2019. Once operational the portal will track and collate all information for contracts awarded under IOCT standalone SBF projects. For co-financed projects the project will capture IOCT contract award detail published by partner co-financiers.

### 3. Request for Information

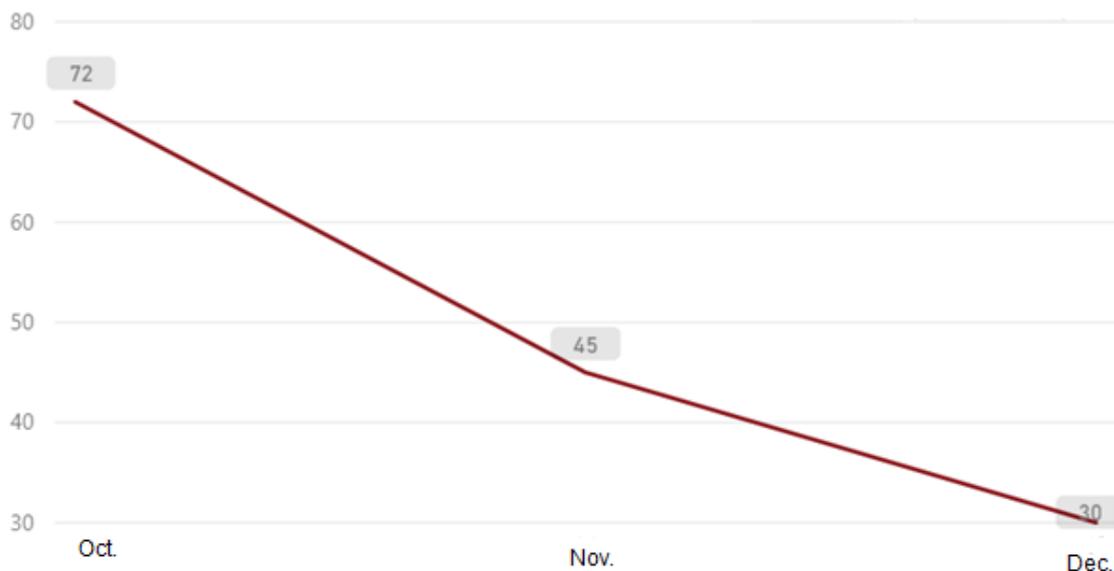
According to the PPI, each initial request to AIIB by an external party for disclosure of information shall be submitted through the Bank’s website via an electronic request form.

AIIB shall acknowledge receipt of the initial request not later than five Working Days following its receipt of the request and decide whether to grant the request not later than 30 Working Days following its receipt of the request.

#### 3.1 Requests Received

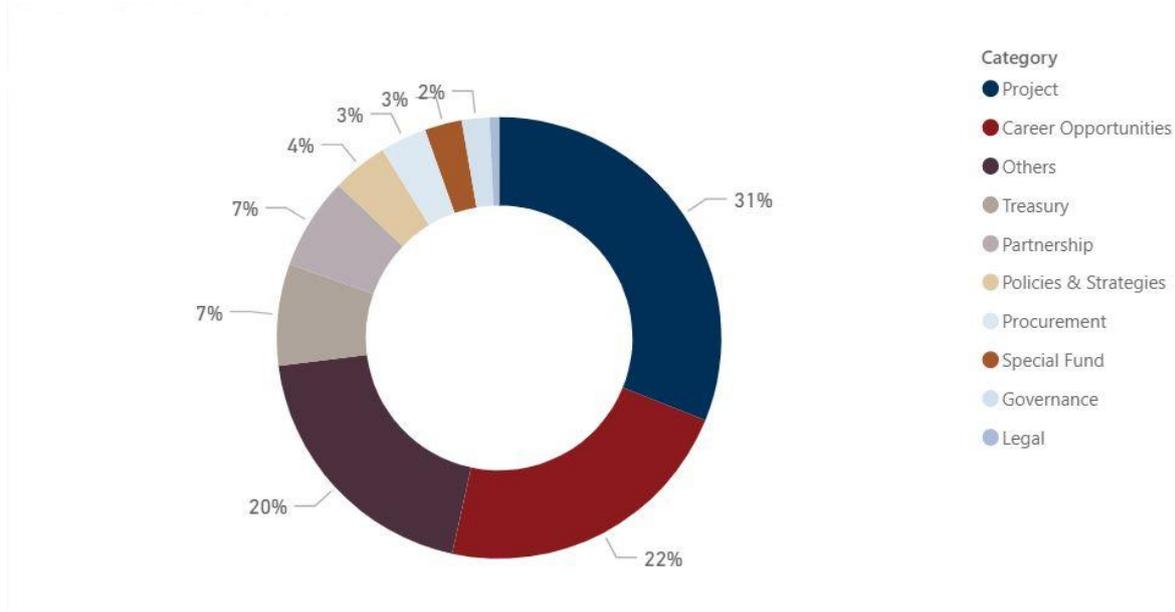
During the reporting period, AIIB received 148 requests. Figure 1 shows the number of requests received monthly.

**Figure 1: Number of Requests Received (Q4, 2018)**



Requests for project information comprised the largest portion (46, representing 31 percent of the total), followed by career opportunities (33, 22 percent), treasury (11, 7 percent) and partnership (11, 7 percent). Figure 2 shows a breakdown of the request categories.

**Figure 2: Request Categories**



### 3.2. Requests Processed

All requests were processed within 30 working days following receipt. Table 4 shows the status of requests.

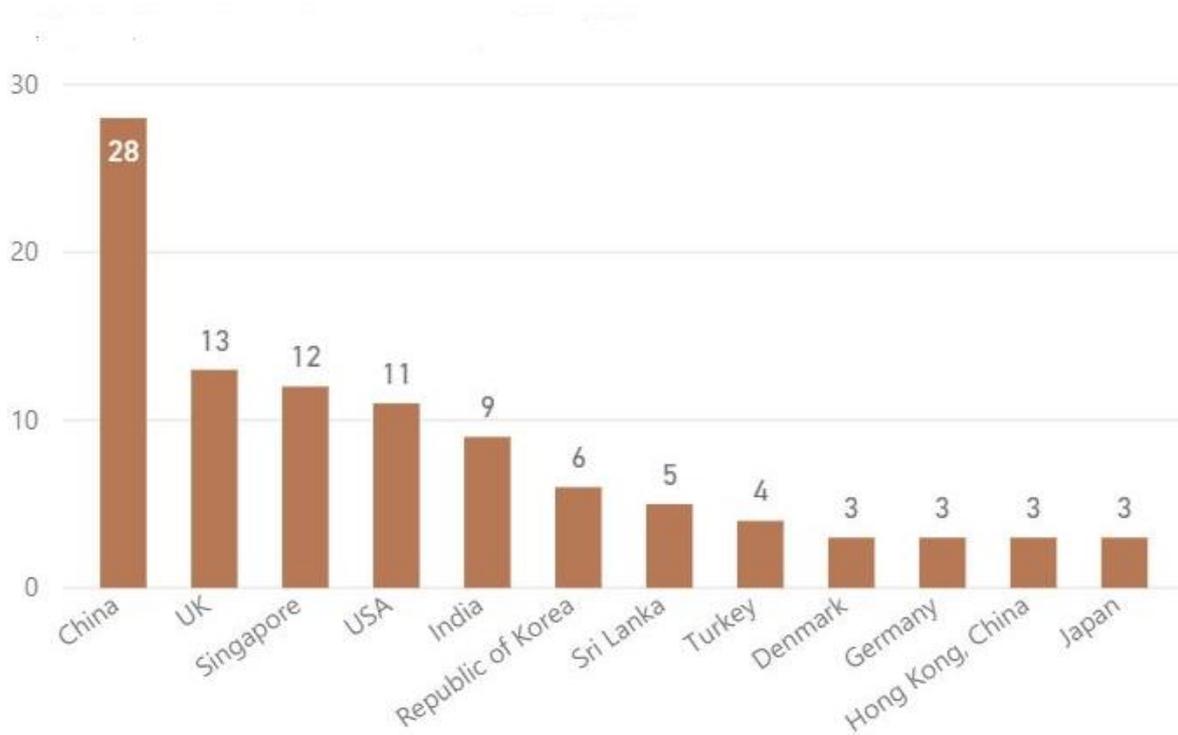
**Table 4: Requests status**

Number of requests received from Oct. 1-Dec. 31	Number of requests remain open as of the date of reporting	Number of requests closed within 30 working days	Percentage of requests closed within 30 working days
147	0	147	100%

### 3.3. Requesters' Profile

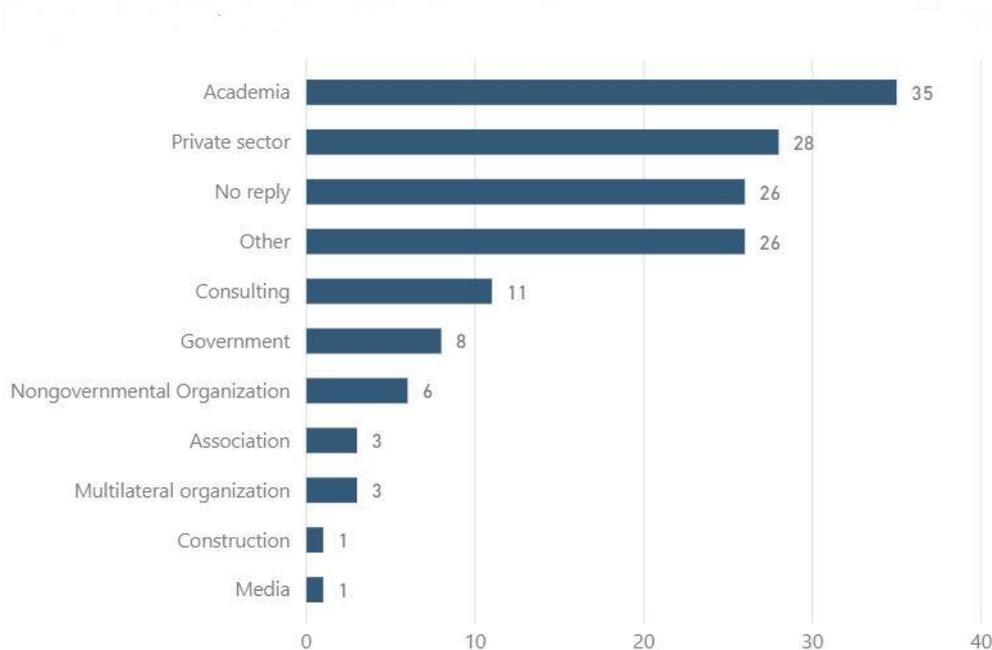
China, the United Kingdom, Singapore, the United States and India were the top five requesting geographies (see Figure 3).

**Figure 3: Top 10 Locations of Requesters**



The number of requests from academia was 35, accounting for 24 percent of the total, the largest portion. The number of requests from private sector was 28, representing 19 percent, the second largest group, followed by those from consulting (11, 7 percent). Figure 4 shows the professional background of requesters.

**Figure 4: Requesters' Professional Background**



## 4. Exceptions

We declined one request in part. The request includes several inquiries that fall under exceptions of the PPI. Table 6 shows the inquiries in detail and the reasons for refusal.

**Table 6:** Requests Declined Under Exceptions

Inquiries	Reasons for Decline
Interest rate of each project	We do not release the exact interest rate for individual projects under Exception 2 of the PPI as this could compromise AIIB's competitiveness.
Loan Agreement for the Dushanbe-Uzbekistan Boarder Improvement Project	Under Section 8.3 of the Policy on Public Information (PPI), "The Bank shall not disclose information, that is not already in the public domain, originating from a third party without consulting with that third party."
Co-Financing Agreement between AIIB and the ADB for National Motorway M-4 Project	
Co-Lenders Agreement between AIIB and the World Bank for the Regional Infrastructure Development Fund Project	
Co-Lenders Agreement between AIIB and the EBRD for the Dushanbe-Uzbekistan Boarder Road Improvement Project	
AIIB's assessment of the borrower's regulatory framework on procurement for the Duqm Port Commercial terminal and Operation Zone Development Project	The document was necessary as part of the Bank's deliberative and decision-making processes and fall under Section 8.1.3 Exception 3 of the PPI. Moreover, the internal assessment relied on an analysis of third-party information provided to us by the Duqm Special Economic Zone Authority (SEZAD), which is mostly non-public information for which we do not have SEZAD's express permission to make public.
AIIB's review of World Bank's Procurement and Consultant Guidelines and World Bank's Environmental and Social Safeguard Policies, or other equivalent documents	The review is an integral part of AIIB's deliberative and decision-making process and falls within Exception 3 (Section 8.1.3) of the PPI. In addition, Section 8.3 of the PPI would require AIIB to consult with the World Bank before disclosing such information.

## 5. Appeals

There were no appeals during the reporting period.

## 6. Redaction

We released one redacted document upon an external request. The majority of the document was released except for three slides that were deemed to fall under an exception (see Table 7).

**Table 7** Redacted Documents

Redacted Document	Reasons for Redaction
AIIB's Communication Plan 2018	We redacted slides detailing results of stakeholder research under Exception 3 as this information informs AIIB's decision making process.

## 7. Next Step

The Administrative Guidance for the PPI is under development to support the implementation of the PPI and the Directive.

Trainings on PPI will be rolled out for different departments. It will include in the new staff induction program and an E-learning platform to increase compliance awareness.

The enhanced information request portal went live in mid-January 2019.

AIIB will continue to disclose information proactively and timely and be customer-oriented in handling requests from the public.