

CHM-Consultation  
Compliance, Effectiveness and Integrity Unit (CEIU)  
Asian Infrastructure Investment Bank  
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Dear Mr. Sharif:

We welcome the opportunity to participate in the public consultations for the proposed Asian Infrastructure Investment Bank (AIIB) Complaints Handling Mechanism (CHM).

We are ten civil society organizations and networks with expertise in using the independent accountability mechanisms (IAMs) of development finance institutions and recommending improvements in their fairness and effectiveness. Some of us sit on IAM advisory groups and many of us regularly participate in the CSO session of the IAM Network annual meeting. Our organizations, through our combined work, have supported dozens of communities in Asia and around the world to submit complaints to the various IAMs, and helped those communities seek effective remedies through their processes.

We believe that the adoption of an independent, fair and effective accountability mechanism is crucial to the AIIB's institutional commitment to sustainable development. We applaud the AIIB's recognition in its Environmental and Social Framework that "social development and inclusion are critical for sound development." We agree with the bank that "inclusion means empowering people to participate in, and benefit from, the development process," and requires the removal of "barriers against vulnerable groups, who are often excluded from the development process," to ensure their voices are heard. We know from years of experience that an independent accountability mechanism is essential to these laudable goals.

The CHM must not be seen as an impediment to development, but rather an indispensable element to achieving positive development outcomes for the AIIB. A robust CHM is vital, not only in holding the institution accountable, but also for ensuring the sustainability of the AIIB's activities, enhancing project performance, and fostering a learning process, whereby future AIIB activities are guided and improved by the CHM's findings and insights.

In policy and practice, the CHM should strive to be a robust, independent, accessible, transparent, and impartial body. In the attached submission, we have assembled what we believe to be the best practice from IAMs around the world on the mechanisms' mandate; functions; structure; information disclosure and outreach; complaints process; and compliance review, dispute resolution and advisory functions. We have also recommended innovations to help ensure more effective accountability and remediation processes.

We hope that the AIIB will seize this opportunity to adopt and exceed the best practices of the existing IAMs and thereby assume a leadership role in the furtherance of just, inclusive and sustainable development.

We would welcome the opportunity to discuss our recommendations with you via teleconference.

Yours sincerely,

Centre for Research on Multinational Corporations (SOMO)

Inclusive Development International (IDI)

Bank Information Center (BIC)

International Accountability Project (IAP)

Accountability Counsel (AC)

Center for International Environmental Law (CIEL)

Urgewald

NGO Forum on ADB

CEE Bankwatch Network

Oxfam International