

15 August 2017

Asian Infrastructure Investment Bank  
B-9 Financial Street,  
Xicheng District, Beijing 100033  
P.R. China.

RE: Disclosure of project information at all stages, including the identification stage

Dear Ms. Ostfield and Mr. Sun,

Following up on AIIB's Annual General Meeting held in Jeju, Korea in June 2017, we wish to reiterate our positions as civil society organizations (CSOs) on the following items as outlined below to be included and clearly stated in the soon to be released draft PIP in September of this year.

1. Disclosure of Project Information in the Identification Phase

AIIB's website currently contains two categories of projects—proposed and approved. For “proposed” projects, a project summary is only released after AIIB management has approved the project concept. So far based on what we have seen, AIIB has not disclosed any information about projects prior to management approval of a project concept. Other IFIs disclose basic information during the project preparation phase, including: the name of the project, country, sector, proposed objectives, stage of processing, a categorization, identification number, cost and IFI-financed amount, co-financiers, implementing agencies and/or private sector entities involved, and contact information for IFI and client staff.

Several IFIs disclose this basic information in a Monthly Operational Summary (MOS) that is made publicly available upon distribution to the Board. For example, the World Bank's MOS states that: “[p]rojects appear in the MOS from the point they are identified up to the signing of the loan or credit agreement. ... Entries are also dropped from the MOS when projects are removed from the Bank's lending program before approval.”

EBRD takes a different approach and integrates basic information about identified projects into its website. EBRD creates a project-specific page for projects in the “In Exploratory” and “Pending Concept Review” phases. EBRD posts basic information on the individual project's page, updating the information as needed during the process of project preparation and appraisal. In the case of ADB, there is also routine disclosure of project stages wherein you can narrow what are the proposed projects per country and on the regional level; including a board calendar for the next three weeks.

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<sup>1</sup>The World Bank and Inter-American Development Bank produce these documents, and the African Development Bank produces a quarterly operational summary.

<sup>2</sup><http://www.worldbank.org/en/projects-operations/products-and-services/brief/monthly-operational-summary>

We recommend that the draft PIP adopt similar approaches to ensure disclosure of information about projects that have met AIIB's screening criteria and have progressed to AIIB's "project identification" phase. In addition, we note that the AIIB has recently announced the launch of a Project Preparation Special Fund. We recommend that the PIP specifically recognize that the policy applies to this fund, as well as to any other future trust funds/special project funds.

## 2. "Proposed Projects" and PSIs

We reiterate our previous recommendation that the PIP include time-bound requirements for disclosure of PSIs prior to Board approval, as is required of ADB, EBRD, EIB, and IFC. For all Category A projects (public sector, private sector, and financial intermediaries and their Category A sub-projects), the PIP should require disclosure of PSIs 120 days prior to Board approval. For all other projects, the PIP should stipulate that PSIs will be disclosed at least 60 days prior to Board approval for public sector projects, and 30 days prior to Board approval for private sector projects.

Over the past year, we recognize that the AIIB has taken important steps towards improving the content of PSIs. We recommend that the PIP and/or implementing procedures ensure additional improvement of the content of the PSIs, particularly with respect to the environmental and social information that the PSI contains. Consistent with the AIIB's ESF, we recommend that the PIP and/or implementing procedures set out the following requirements for the PSI:

- PSIs should be prepared for all projects (public sector, private sector, and financial intermediaries), including projects that are co-financed by other IFIs.
- For private-sector projects, the PSI should include information about the shareholders of the project or the investee company. For Category FI projects, the PSI also should describe provisions for disclosure of sub-projects, and specifically reference the requirement noted in Section 1 above regarding a 120-day disclosure period for Category A sub-projects.
- All PSIs should clearly identify which AIIB Environmental and Social Standards are anticipated to apply to a project, and a brief explanation of key issues, including consultations conducted/planned to be conducted, involuntary resettlement, land acquisition, indigenous people, gender, and potential impacts on disadvantaged and vulnerable groups. Other IFIs disclose far more detailed summaries of environmental and social issues in PSI-equivalent documents.
- All PSIs should describe all borrowers' (public, private, and financial intermediaries) institutional capacity to meet AIIB's environmental and social requirements.
- All PSIs should include an environmental and social preparation plan that indicates a timeline for beginning and completing required assessments, as well as plans for stakeholder engagement, information disclosure, and consultations.

### 3. Environmental and Social Information

We also reiterate our previous recommendation that the PIP include time-bound requirements for disclosure of environmental and social impact assessments and other assessment documentation prior to Board approval, as is required of AfDB, ADB, EBRD, and EIB. For all Category A projects (public sector, private sector, and financial intermediaries and their Category A sub-projects), the PIP should require disclosure of environmental and social impact assessments at least 120 days prior to Board approval. AIIB should adopt time-bound requirements for Category B and C projects, and could demonstrate a best practice commitment to transparency by adopting a 120-day disclosure rule for all other project categories. Such requirements would be consistent with the AIIB's ESF, which commits to disclose draft documents "prior to appraisal" for sovereign-backed loans, and "prior to, or as early as possible during, the Bank's appraisal" of other projects. It will be critical for the PIP to provide clarifications about the Bank's implementation of these obligations.

In addition, the PIP and/or implementing procedures should clarify that environmental and social impact assessments and other assessment documentation should include detailed information about planned and completed consultation activities. Information disclosed should include: key stakeholder groups that the Client has identified; vulnerable groups affected by the project; dates and locations of consultation activities; summaries of stakeholder concerns raised during each consultation activity; and a list of attendees at each consultation activity.

### 4. "Project Document"

We note the positive improvement in the content of the AIIB's "Project Document" over the past year, while reiterating previous recommendations regarding disclosure of this document prior to Board approval of a project. The PIP and/or implementing procedures also should clarify that a detailed "Project Document" should be disclosed for all projects, including public, private, and financial intermediary investments, as well as for projects co-financed by other IFIs.

We also recommend that each Project Document include:

- Links to all information/documentation/assessments that demonstrate the Project's compliance with AIIB's ESP and ESSs. This information also should be translated into major languages used in project-recipient countries.
- Information about public consultations conducted and planned to be held, with information such as the number of attendees, summaries of concerns, dates, and locations.
- Two separate sections for environmental and social issues, and a summary of the key issues within each respective category.
- A separate section that provides an overview of the stakeholder engagement plan for the project, including key stakeholder groups, any vulnerable groups, past and future engagement and consultation activities, information disclosure, and the project-level grievance mechanism.

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<sup>3</sup> T This is consistent with ADB's policy, which represents best practice in this regard. ADB Operational Procedures: Public Communications at para. 11. EBRD IFC's policy also contains specific time-bound requirements for Category A projects that require a longer period of disclosure of summary information prior to Board approval. IFC Access to Information Policy at para. 34.

<sup>4</sup> This is consistent with EBRD's policy, which represents best practice in this regard. EBRD Public Information Policy at 3.1.5.

<sup>5</sup> ADB, EBRD, and IFC all adhere to this requirement. ADB Operational Procedures: Public Communications at para. 11. EBRD Public Information Policy at 3.1.5. IFC Access to Information Policy at para. 34. EIB also requires time-bound disclosure of summary information. EIB Transparency Policy at 46.

<sup>6</sup> IFC adheres to this requirement. IFC Access to Information Policy at para. 30.

- A map of proposed project sites, transmission lines, and other infrastructure works financed by the project.
- Information about the AIIB's Complaints Handling Mechanism, including a link to the CHM page on the AIIB's website.

And foremost, we reiterate that the overall framework of any Public Information Policy is the outright consideration of the rights of project-affected people and communities. Consultation and participation of these communities is an integral part of the design of the Policy and its implementation and for this, provides details on how to engage and broaden public access to information.

We appreciate AIIB's efforts to engage in dialogue with civil society through submissions and face to face consultations regarding the development of a new Public Information Policy (PIP) that is aligned with international best practices and ensures transparency in the AIIB's operations.

We thank you again for your willingness to dialogue with civil society. If you have any questions, please do not hesitate to contact us. We will look forward to hearing from you.

Kind regards,



**NGO Forum on ADB**



**CEE Bankwatch**



**Bank Information Center**

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<sup>7</sup>This is consistent with ADB's policy, which represents best practice in this regard. ADB Operational Procedures: Public Communications at para. 18. AfDB and EBRD require a minimum of 120 days for public sector projects, and 60 days for private sector projects. EBRD Public Information Policy at 3.4.1. AfDB Safeguards at page 28. IFC also requires 60 days for its projects. IFC Access to Information Policy at para. 34.

<sup>8</sup>IFC, for example, requires disclosure of its ESRS, which includes a link to and/or electronic copy of the ESIA, 30 days prior to Board approval (or approval of other relevant internal authority) of a project. IFC Access to Information Policy at para. 34.

<sup>9</sup>AIIB ESF at para. 58.