

24 April 2015

MR. JIN LIQUN

Secretary – General
Multilateral Interim Secretariat
Asian Infrastructure Investment Bank (AIIB)

Re: Letter of Introduction from NGO Forum on ADB on AIIB Safeguard Standards

Dear **Mr. Jin Liqun**:

We are writing to you on behalf of a network of 250 civil society organizations, based in Manila, with representatives from 20 countries in Asia to express our concern on the need for robust safeguard policies of the Asian Infrastructure Investment Bank (AIIB).

Consequently, we recognize the role of the government of the People's Republic of China (PRC) in currently leading the Asian Infrastructure Investment Bank, which is committed to infrastructure and economic development in the region. Furthermore, we affirm with the leaders of the PRC in their commitment that AIIB will adopt the highest standard of safeguard policies prevalent among multilateral development banks.

For more than a decade, we have made continuous effort in exhorting regional multilateral development banks especially the Asian Development Bank (ADB) to improve their safeguard policies and implementation. We recognize the crucial role that safeguard policies play in ensuring the protection of communities and environment from the adverse impacts of large scale infrastructure development. We would request the AIIB to include the voice of civil society in their safeguard policy formulation, as they carry the concerns and needs of the most vulnerable groups and communities across Asia.

In view of this, we urge the AIIB, in setting up its high-standard safeguard policies, to consider the following principles:

1. Ensure the bank operations comply with the strongest of international standards and conventions, as well as national and local laws, including customary laws. In case where country safeguard systems are weak then the highest safeguard standards should apply.
2. Ensure the bank operations respect local tradition, culture and knowledge systems and that communities impacted by the AIIB are left better off and are not impoverished. Indigenous people or ethnic minorities and their collective rights must be protected and fulfilled (including but not limited to, rights to natural resources, land, cultural integrity, property, and self-determination). Adequate social impact assessments of development projects (including assessments of the aforementioned articles of rights) must be ensured, prioritizing the "least impact option," with clear impact management plans. Given the common link between infrastructure development and resettlement, a strong focus on avoiding resettlement must be ensured. If resettlement does occur, ensure that it is with the consent of those resettled and that they are not impoverished as a result of the investment, but are made better off. Ensure genuine and meaningful public participation in Social Impact Assessment and impact management plan and their implementation.

3. Ensure the bank operations do not harm the local environment, ecosystem and biodiversity; and thoroughly consider the impact of climate change. Ensure that Environmental Impact Assessment (including Trans-boundary Environmental Impact Assessment) has been conducted and subject to substantial public comment before decision-making. Ensure genuine and meaningful public participation in EIA and impact management plan, as well as in the implementation. Ensure sufficient budget for AIIB experts in environmental and social impact analysis, including resettlement impacts; a robust and transparent monitoring, measurement and evaluation systems for environmental and social impacts; and periodic reviews of safeguard policies to ensure that they protect communities and the environment from harm.

4. Ensure transparency and public participation in the decision-making process. Ensure the principle of “Free Prior and Informed Consent (or objection).” Ensure that bank operations and consultation processes take place and are free from any force and/or coercion. Ensure that an easily accessible and binding accountability system, grievance mechanism and compensation mechanism be established. Ensure an independent evaluations department that reports directly to the AIIB board, not to the bank management.

5. Ensure the right to equality and non-discrimination to sexual orientation and gender identification and expression (SOGIE), ethnic and cultural minorities and/or indigenous peoples, women, children and persons with disabilities.

6. Ensure that the lending instruments of the AIIB including (but not limited to) private sector operations, financial intermediaries, framework loans, technical assistance, etc., comply with AIIB’s highest safeguard standards, national laws and international conventions.

7. Ensure a clear anti-corruption policy which can objectively investigate the practices of the AIIB board, management, missions and operations staff.

We urge the AIIB to consider our planet’s limits to growth and the consequent impacts on vulnerable communities of large scale infrastructure initiatives. In conclusion, we hope that the bank would become a standard-bearer of safeguard policies for all regional multilateral development banks.

Sincerely,

Rayyan Hassan
Executive Director
NGO Forum on ADB

Copies to:

Ministry of Finance, Government of the People’s Republic of China
People's Bank of China
China Banking Regulatory Commission