

Report

Central Asian and Caucasus Regional meeting of NGO Forum on ADB

On March 21-23rd, 2018, there were held Central Asian and Caucasus Regional meeting of NGO Forum on ADB.

AIIB Face to Face consultation

On March 22-23rd, 2018, there were held “Face to Face” consultations with representatives of civil society organizations (CSOs) of Central Asia and the Caucasus (CA&C) together with representatives of the Asian Infrastructure Investment Bank (AIIB).

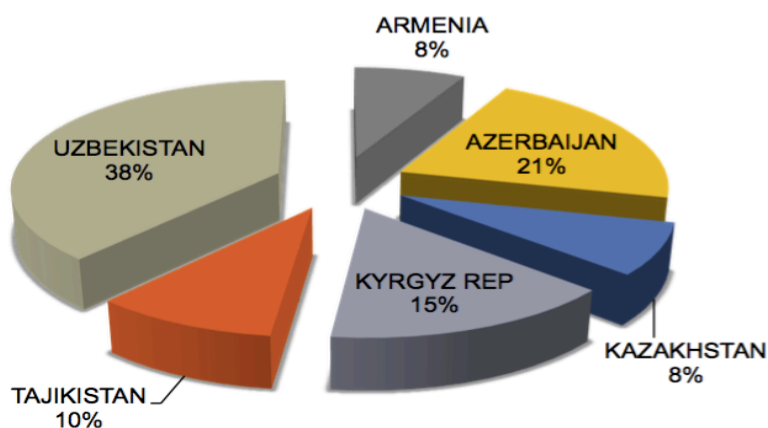


On March 22nd, 2018, CSO representatives discussed the policies of AIIB in the framework of “Public Information” (PPI) and “Project-Affected Peoples Mechanism” (PPM). Participants gave comments on all suggested topics and made proposals and recommendations to these themes.

On March 21st, 2018, representatives of NGO Forum on ADB discussed energy projects, plans and projects aimed at the energy sector.



ADB ENERGY LENDING PORTFOLIO IN CENTRAL ASIA AND CAUCASUS (2009 - 2017)



- A total of **52 energy projects** from 2009 - 2017.
- **Uzbekistan** receiving the highest number with **20 energy projects (38%)** while **Armenia and Kazakhstan** with the least energy projects with **only 4 projects each (8%)**.
- 2009 was used as the reference point as this was the year when ADB released its Energy Policy.

Note: For the purpose of this presentation, these 6 countries were selected based from the representative/s present for this energy meeting.

Source: NGO Forum on ADB

Below is the working time of working groups (from flip charts):

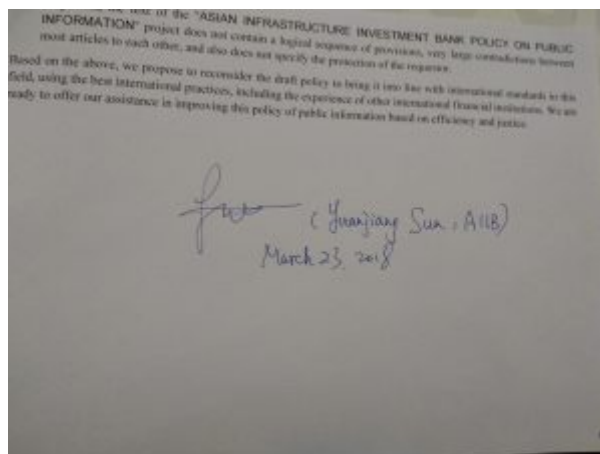
<p>Session number 2</p> <ol style="list-style-type: none"> 1) The state and international financial institutions in the transaction. 2) To transfer experience in the field of political communication with the public from the Development Banks. 3) Does not take into account the opinion of society. 4) Arbitrary interpretation of policies on the ground. 5) Lack of policies in the local language. 6) Tracking indicators and results. 7) Effective dissemination of information and results. 8) Observe the policies of public relations. 9) Increased involvement of subjects (politicians in consultation with the press). 	<p>Armenia-Azerbaijan</p> <ol style="list-style-type: none"> 1) Diversification of the energy system (as examples, Nuclear Power Plants in Armenia and natural gas in Azerbaijan). 2) Increase of interaction with the interested public (informing, public hearings through media and other tools, premonitory, etc.). 3. Improving the reporting of the International Financial Institutions that finance projects in Transcaucasia.
<p>Energy needs of the Republic of Tajikistan (RT) and the Kyrgyz Republic (KR)</p> <ul style="list-style-type: none"> • Integrated alternative energy, in particular access to renewable energy sources in rural areas; • Restoration of the energy network in Central Asia; • Modernization of power systems and introduction of electronic control systems; • Construction of new and restoration of old Thermal Power Station; • Coal production and use, taking into account the introduction and use of new technologies to reduce emissions; • Renewal of natural gas supply (RT), and development of new deposits (KR); <p>2. Advocacy companies (information companies)</p> <ul style="list-style-type: none"> • Risks: Prohibition of meetings and rallies without official permission (RT), censorship, formal discussion of documents and projects, lack of consideration of opinions of profile specialists, lack of resources - as a factor, absence of appropriate actions, aggravation of attention by government agencies on certain issues; • EIA, public hearings, recommendations, sites for information dissemination; • Media + social networks (increased media involvement); 	<p>Energy needs in the Kyrgyz Republic - a unified state energy company</p> <ul style="list-style-type: none"> - IES, the base power in the north. - Technical, financial and economic audit of the HPS – in south. - Revaluation of assets taking into account loans and grants. - Review of the tariff policy. - Development of enterprises for the production of electricity and auxiliary equipment. <p>2)</p> <ul style="list-style-type: none"> - Stop privatization - To exclude the summons of creditors - the state is a bad manager - The problem of pressure of creditors - Problems on bilateral agreements - The people's interests are above all - the owner of the energy industry (the natural monopoly of the state) - Wide discussion. <p>3)</p> <p>NGO - the consolidation of the problem. Government of the Kyrgyz Republic - to receive consent from the public on projects. The Parliament of the Kyrgyz Republic - public assistance and control</p>

<ul style="list-style-type: none"> • + seminars and trainings, meetings, publications, case studies, stage tours; • - lack of sustainability and financing of activities, suspension of expansion of the network; • Journalistic investigation; <p>3. Points of contact, places and level of interaction</p> <ul style="list-style-type: none"> • Common problems, geography, projects; • Joint statements, monitoring, evaluation and analysis, recommendations (at the national and regional levels); • Meetings with financial institutions in the field, at the regional level, etc. 	<p>The President is a worthy life.</p>
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On March 23rd, 2018, the comments and proposals of the CSO to AIIB policies in the framework of “Public Information” (PPI) and “Project-Affected Peoples Mechanism” (PPM) were presented to the representatives of AIIB.

PPI DISCUSSION

Mr. Yuangzhan Sun, AIIB Principal Communications Officer, listened to all the comments and proposals and expressed a positive relation concerning the comments. He also confirmed that all proposals (even if the deadline for the acceptance of proposals from CSOs expired on March 16th, 2018) will be taken into account when finalizing the Policy in the field of public information of AIIB. After comments and discussions, Mr. Sun accepted the document with comments and signed comments on CSOs on the final page about what he had confirmed.



Presentation of Mr. Sun:

- Thank NGO Forum on ADB for the invitation and organization
- 3rd time face – face attended organized by Forum; glad to have met members from Central Asia
- Few words on the policy
- AIIB decided to kick off the review of the interim policy last June
- Even during implementation of interim, we already got a lot of comments from NGOs, including some of you
- I could tell you that this is one of the reasons that the bank would want to review the policy
- We are very serious with this new policy. We have conducted a lot of internal consultations first.
- We have also done benchmark exercises and try to learn from experiences from other MDBs.
- Actually before we start this public consultation, circulated to board members represent the members of AIIB.
- Draft policy is a collective efforts.
- The policy principles based policy because the bank would want to divide approach into 3 tiers
- 1st is policy; 2nd directives; 3rd administrative guidelines
- We try to divide this into 3; policy will be table to Board of Directors to be approved.
- This is something we do the same with other policies in the Bank.
- Policy will serve the long term purpose of the Bank – so we want it to be principles – based.
- That's why you might not find a lot of details into the Policy; not a lot reflected in the Policy
- Intention is that we will put those implementation elements into the directives which will be approved by the President of the Bank
- Thinking behind this is that directives something more room and flexible to change and improve it if we need to.
- This directive is scheduled to be drafted out after we have done the policy
- As this directive is the policy; documents to be approved by the President so we will not do any public consultation on this
- To help understand this, we will publicize this in the website.
- The 3rd tier is the guidelines developed by my department kind of guideline to guide bank staff how to implement the policy.
- That guideline only an internal document; only for internal use.
- The actual consultation period already ended for this PPI. But am still happy to be here to have a face – face dialogue with you and your comments will also be take back.
- Actually all of these days, I am doing the summarize comments; found a lot of good suggestions; appreciate it.
- Looking forward to your comments and suggestions; thank you.

Questions (based on the presentation of Mr. Sun):

1. If already deadline over for PPI, our comments will be included
 - a. AIIB: It will still be valid since I am here. Actually after this we will publicize summary of comments. Certainly that will include yours. But the things some of the comments are similar.
2. Procedure of the comments; feedback
 - a. AIIB: The next step we're after all comments; we'll start internal discussion first. Our management team will look into the recommendations and inputs, will work out recommendations. In April there will be a Board of Directors meeting. Our management team will provide an update on the outcome of all the consultations. So our board of directors will have a chance to look at all the comments and inputs made. They will also look at the recommendations and feedback of bank management. Then it will be up to the Board to decide to decide 2nd round or finalize the document. So after Board meeting, we will let you know the outcome.

3. Already we discussed for PPI and PPM all the policy we saw a lot of articles that about agreement, no body provided us this articles. It was complicated to understand. Charter of Board of Governors. We don't have such documents.
 - a. Luz: All the Articles are in the website. I'll send you soft copy. I'll send you the ESF. This is big policy that they referred to. But I think the issue, not everyone would be familiar with this, unless they know that these materials are in the website. This is a gap that needs to be filled in.
4. **Concern of language of document usually they provide it in English. In Central Asia, possible to have Russian?**
 - a. **We have a lot of comment on translation. Working language is in English, all documents in the form of English. AIIB now has 84 members you can now imagine if we decide to translate into other language, there will be a request for translation. Translation is something that we have heard, considering that. How can we cope this.**
 - b.



Conclusions on the PPI document

In conclusion, it should be noted that ABII strives for the idea of openness by adopting the Interim Policy earlier and proposing a draft public information policy, explaining that the Provisional Policy is limited in terms of detail and focused on general principles.

- However, the proposed document lacks sufficient detail and it is far from a document that fully discloses the methodology for ensuring transparency and access to AIIB information. Unclear and inadequate

summary of the main points in the draft, an indication of the principles without concrete commitments for the implementation of and to ensure transparency and access to information will create big problems in the future AIIB activities.

- The rules on how to conduct requests must be radically revised to provide a clear basis for requesting. In further processing, a system of appeals also requires, with the inclusion of an independent appeal mechanism. In the proposed policy, there is no clear definition of what information is public and which is not.
- In general, the text of the "ASIAN INFRASTRUCTURE INVESTMENT BANK POLICY ON PUBLIC INFORMATION" project does not contain a logical sequence of provisions, very large contradictions between most articles to each other, and also does not specify the protection of the client who received credit.

Based on the above, we propose to reconsider the draft policy to bring it into line with international standards in this field, using the best international practices, including the experience of other international financial institutions. We are ready to offer our assistance in improving this policy of public information based on efficiency and justice.

Summary:

1. Information from the project affected
2. Clear steps

PPM DISCUSSION

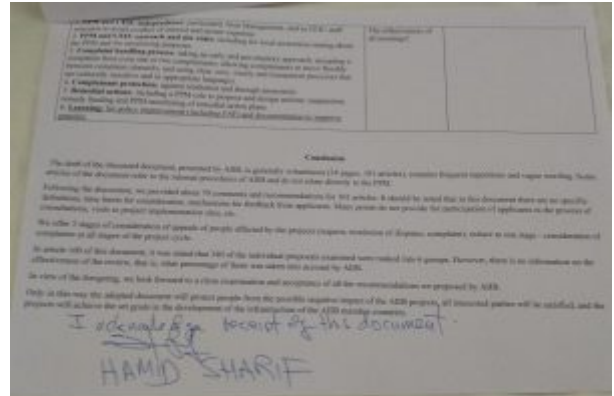
Mr. Hamid Shariff, the Head of Compliance, Effectiveness and Integrity Unit (CEIU), and Mrs. Ms. Irene Bain, Senior Learning & Knowledge Specialist, CEIU also participated to all comments and suggestions from CSOs. They appreciated the comments positively, however, some matter was expressed that the proposals developed will be finally adopted by the Board of Directors of AIIB, and they do not know how many comments will be taken into account.

Mr. Hamid:

- Given the need to translate, I want to be efficient and not take too much time.
- Usually I would open with a powerpoint, I won't do that
- Key points:
 1. The draft which you've seen is a negotiated draft. It's not an ideal draft. Draft discussed internally. Key point is Irene and I part of a unit not part of management; we report to Board.
 2. I would like certain issues off the table: this is on the basis of rich discussions which we already have with CSOs in Manila, Dhaka, Beijing and Europe (Amsterdam and Berlin). The first thing is there has been a lot of feedback we need to make access very easy so they can come to the PPM. We change some of the provisions, on day 1 there is no burden of proof for causation. On day 1 no need to prove that a breach was done. A simple allegation will do to make it more accessible. Feedback that 1 person would be able to file

a complaint – we will take that. Rich feedback – access issues such as language, we will convey all of that, we will convey to be considered.

3. Noticed that 3 routes which we have identified in our paper: affected people can approach the mechanism if they have a concern; they can approach dispute they want to solve; and compliance review for complaint; we will clarify each of this routes in the next paper. Different requirements for each we will clarify.



INTRODUCTION on the PPM document

The countries of Central Asia and the Caucasus are currently in the process of joining the membership of the Asian Infrastructure Investments Bank (AIIB). In this regard, AIIB develops policies and procedures for the issuance of loans and investments to member countries. Therefore, the participation of the civil society of the countries of Central Asia and the Caucasus in the discussion and provision of recommendations on the developed policies is extremely important.

This document concerns AIIB on the Project-Affected People's Mechanism (PPM). Environmental and Social Policy (ESP) provides that AIIB will establish an oversight mechanism to assess The Project-Affected People's Mechanism. The proposed PPM should help solve problems related to ESP by resolving disputes and complaints submitted by people affected by the projects.

Conclusions on the PPM document

The draft of the discussed document, presented by AIIB, is generally voluminous (34 pages, 101 articles), contains frequent repetitions and vague wording. Some articles of the document refer to the internal procedures of AIIB and do not relate directly to the PPM.

Following the discussion, we provided about 70 comments and recommendations for 101 articles. It should be noted that in this document there are no specific definitions, time limits for consideration, mechanisms for feedback from applicants. Many points do not provide for participation of applicants in the process of consultations, visits to project implementation sites, etc.

We offer 3 stages of consideration of appeals of people affected by the projects (request, resolution of disputes, complaint), reduce to one stage - consideration of complaints at all stages of the project cycle.

In article 100 of this document, it was stated that 340 of the individual proposals examined were ranked into 6 groups. However, there is no information on the effectiveness of the review, that is, what percentage of them was taken into account by AIIB.

In view of the foregoing, we look forward to a close examination and acceptance of all the recommendations we proposed by AIIB.

Only in this way the adopted document will protect people from the possible negative impact of the AIIB projects, all interested parties will be satisfied, and the projects will achieve the set goals in the development of the infrastructure of the AIIB member countries.

All participants were very active and expressed hope for a constructive collaboration with all parties (CSOs, state bodies, AIIB).

