



March 26, 2018

**Re: NGO Forum on ADB's Comments on the
DRAFT PROJECT AFFECTED PEOPLES MECHANISM (PPM)**

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1. Introduction

This submission on AIIB's policy on Project Affected Peoples Mechanism (PPM) is the result of a series of consultations among Civil Society Organizations (CSOs) held in Southeast, South and Central Asia and Caucasus with AIIB's Communication and Development Department and the CEIU (Compliance Effectivity and Integrity Unit). NGO Forum on ADB ("Forum") and other regional and non-regional civil society groups have been engaging in the ongoing consultations around AIIB's Policy on Public Information (PPI) and the Project Affected Peoples Mechanism (PPM). Both processes have an eight-week commenting window ending on March 16th and March 26th respectively.

With organizations coming from Thailand, Cambodia, Philippines, Indonesia and other relevant groups, the Southeast Asian consultation was held last Feb 5, 2018 in Pasig City, Philippines. This was followed by a South Asian consultation in Dhaka, Bangladesh on Feb 26 that was participated in by groups from India, Bangladesh, Sri Lanka and other civil society groups. The Central Asian and Caucasus consultation was held in Bishkek, Kyrgyzstan last March 23, 2018 with groups from Armenia, Azerbaijan, Tajikistan, Kazakhstan, Kyrgyzstan, and Uzbekistan.

FORUM took up the Bank's responsibility in coordinating the face-to-face consultations in Manila, in Dhaka, and in Kyrgyzstan to bridge the gap between the policy review process and civil society groups with very limited resources. This should have been taken up by AIIB itself with its access to both resources and capacity considering its need for a more robust review of the PPM.

2. Overview

With AIIB's focus on large scale infrastructure projects in Asia, the need for a robust grievance mechanism is mandatory. For any new multi-lateral development bank (MDB) such as the AIIB, this is as binding as any other policies such as the environmental and social safeguards and information disclosure. In 2017, FORUM and its members looked forward with great anticipation for AIIB's mechanism given that this new Bank could draw

experiences from other banks and has the possibility to have a more pragmatic view in dealing with project affected complaints and bank compliance issues. Leading IFIs' mechanisms such as the World Bank's (WB) Inspection Panel, International Financing Corporation's (IFC) Compliance Advisor Ombudsman (CAO) and the Asian Development Bank's (ADB) Compliance Review Panel (CRP) have all faced many challenges through the years in addressing grievance issues. While no existing system has proven "perfect", there were expectations that AIIB could do things differently and be more receptive to the changing times.

Civil society organizations are the users of grievance mechanisms of IFIs so that they play a key role in raising complaints and provide a tool in raising remedial actions. For this, FORUM has been actively engaging ADB's mechanism throughout the years with multiple complaints and in some cases involving multiple MDBs in co-financing projects. In this light and looking at the proposed AIIB PPM, FORUM has crafted the following comments that are drawn from these experiences and have been the result of consultative actions. Before going into detail, it would be useful to flag some general issues in terms of the proposed scope and ambitions of the PPM.

3. General Concerns on PPM

At first glance, the title of AIIB's Grievance Mechanism called "Project-Affected Peoples Mechanism" seemed promising. Unfortunately, this promise falls short as the PPM proves to be a complex read even for Forum members who are well aware of IFI policies and mechanisms. Furthermore, **the PPM does not ensure at the onset that it will provide remedy to those who are aggrieved nor those who are potentially to be aggrieved through AIIB's Operations.** The fact that PPM does not clearly establish that its goal is to provide remedy, this clearly demonstrates the lack of intent of the PPM to be meaningful to project affected peoples. FORUM underscores that the Project-Affected Peoples Mechanism's core mission must place foremost the welfare of affected communities and their access to remedy.

Consequently, it needs to be mentioned that the **complexity of the language** used in sections regarding eligibility, exceptions, dispute resolution, and remedy are more legalistic rather than user-friendly. It would be safe to assume that this PPM as it now stands would be incomprehensible to a large number of local project affected people who do not speak nor communicate in English. Furthermore, local translations would not be able to capture the meaning of the policy as its legal interpretation by the Bank maybe different from a literal translation. We hope the future draft would bear this in mind, since the PPM needs to reach its audience: the 'project affected people themselves, and thus needs to be clear and consistent.

Moreover, the proposed mechanism reveals that the **scope of PPM** is limited only to the Environmental and Social Policy (ESP)¹ within the broader AIIB Environmental and Social

¹ 4.3 Scope and Accessibility, 4.3.1 Article 14. Subject to the eligibility requirements in paragraphs 15 and 19 and section 5.2, the scope of the proposed PPM covers any ESP-related concerns, requests, and/or complaints (submissions) raised by Project-affected people at any stage of the Project cycle (page 4).

Framework (ESF). Thus, in cases of AIIB's Operations causing harm, the current PPM will only look at it from a project operations social and environmental impacts' point of view. This limits the Bank from identifying non-compliance in other Bank Operations such as non-compliance in management decision-making, non-compliance of following directives, and non-compliance to fulfilling other AIIB policy requirements (such as the Policy on Public Information PPI, Energy Sector Strategy ESS, ESF, inclusive of their respective directives and guidelines). While other MDBs ensure that the compliance review functions such as CAO of IFC, CRP at ADB hold the respective banks in compliance on all policies and directives, AIIB's current PPM clearly does NOT.

We strongly urge that the Compliance, Effectiveness and Integrity Unit (CEIU) to take note of this gross limitation in PPM scope; as it will leave most of the AIIB operations non-compliant to its own policies and directives without any compliance mechanism to hold itself accountable. At present, the limitation of PPM scope grossly undermines AIIB's "clean, lean and green" core principles and leaves it blindsided to numerous and multi-dimensional non-compliance issues.

Further to this, AIIB's Articles of Agreement (AOA) clearly identifies financial intermediaries (FIs) as possible clients and thereby sub-projects may result in non-compliance to AIIB's Policy requirements and standards on the ground where these FIs must be held accountable. To this end, we urge AIIB that the exception on third party clients be revoked. The Bank should be required to disclose a list in the public domain of all final beneficiaries of its loans going through FIs and their respective sub-projects in the domain of PPM compliance.

3.1 Limited Scope and Non-Compliance of the PPM

The interconnected nature of AIIB's ESF, PPI, and PPM especially in-terms of timely disclosure of project related documents is critical for PPM's effectiveness in addressing harm and any other potential harm.

Unfortunately, the 2016 AIIB ESF fails to provide clear and specific timelines for information disclosure on ESF related documentation² mentioning only "*as early as possible during the Bank's appraisal of the Project; in a timely manner*". Quick response to any harm depends a lot on the information that is on hand for project affected people in order for them to make critical decisions. Without timely release of project related information (from pre-approval to post project completion), local communities will not have the means nor rationale to engage the PPM's concern, dispute resolution, or compliance review functions.

At the same time, we note that the ESF lacks clarity in terms of addressing non-compliance by clients and fails to provide clear remedy or mitigation measures to address harm. This leads us to that fact that the proposed PPM is grossly inadequate in bringing projects back

² Par 57: Information Disclosure by the Client. The Bank requires the Client to ensure that relevant information about environmental and social risks and impacts of the Project is made available in the Project area in a timely and accessible manner, and in a form and language(s) understandable to the Project-affected people, other stakeholders and the general public, so they can provide meaningful inputs into the design and implementation of the Project.

to ESF and ESP compliance. While other MDBs ensure that the compliance review functions such as the CAO of IFC and the CRP of ADB hold their respective banks in compliance with all their policies and directives, AIIB's current PPM clearly does not hold itself accountable.

3.2 On the Issue on Independence

Although the Project-Affected People's Mechanism (PPM) reports to the Board, there are concerns that the best practice safeguards for bank mechanisms to insulate the mechanism from management are not included in the current draft policy. These best practices, which will provide integrity and legitimacy to the mechanism may involve:

- A fixed term for the head of a mechanism
- A bar from being employed at the Bank after their term; and
- A selection processes that involve external stakeholders (principle of inclusion), including CSOs

The proposed PPM does not indicate the tenure and pre-and post-employment cooling off periods of the Managing Director (MD), CEIU. We believe that the MD of the CEIU should be barred from being employed at the AIIB after the completion of his/her term to avoid any biases to seep in based on future expectations of formal engagement with AIIB. The mechanism also does not provide any clarity on the selection process of the MD, CEIU and Head of the CEIU Secretariat. It is standard practice in both WB and ADB that there will be external stakeholders involved, including CSO representatives in the selection process of the respective members and directors of the mechanisms³. We are concerned that the role of MD, CEIU is not solely focused on the mechanism. The MD is focused on 3 other functions. This departs from the best practice in other mechanisms where it is the full-time role of the Head. Will having the MD, CEIU chair the task force for every complaint that is filed, in addition to all of his other duties, not jeopardize the swift processing of the cases?

At present, there are two distinct structures mentioned in the proposed PPM, a) CEIU Secretariat, b) Task Force both of which require further inquiry. In terms of the composition of the CEIU Secretariat it seems that the appointment of staff is decided by management that no longer leads for the CEIU to be independent of management. The functions and responsibilities of the CEIU Secretariat need to be further detailed and elaborated in terms of the PPM and how they relate to concerns, dispute resolution, and compliance review.

The Task Force is not composed of full time members of AIIB PPM but will use consultants who will be hired temporarily under an arbitrary manner by the DG CEIU. No criteria of selection have been mentioned in the PPM, and the longevity of the Task Force in terms of their tenure has not been clearly described. Thus, the structure of Task Force will not be able to enforce compliance on complaints and will always be reshuffled without passing on any institutional learning. This jeopardizes the independence of the PPM as the Task Force and the CEIU Secretariat (being composed by management) will have most of the authority in terms of engaging a complaint under the arbitrary authority of the DG CEIU.

³ At the CAO for example, there are CSO representatives included in the process to select the Head of the mechanism

We strongly recommend a full-time investigative member-driven task force be composed through independent hiring by the Board (where civil society can also nominate members). The Task Force will be entrusted to evaluate eligibility, investigate complaints, and ensure remedial action plan implementation through on-site monitoring of the remedial action plan.

3.3. On the Structure of PPM

Project-affected communities already face barriers to complain including a lack of knowledge about bank financing, the mechanism, and the increasing shrinking space for those who criticize projects. Our primary concern is that the PPM adds additional barriers at nearly every step which impede access to remedy. The procedures for filing a complaint are too complex, too restrictive, placing undue burden on communities and CSOs seeking to file a complaint. The PPM process should be streamlined. Here are our primary concerns:

- Complaints should be accepted from one person or a group of people.
- The scope of a complaint should include violations of the ESP and other AIB policies, guidelines, and procedures.
- The complaint process should be streamlined to one type of complaint that is accepted from pre-approval to a reasonable time (10 years) after project completion. Having three types of complaints can be confusing and inaccessible for communities.
- Accessing project-level grievance mechanisms should NOT be a precondition to eligibility. Communities should be able to directly file for dispute resolution or compliance directly, in the sequence that they choose. We also know from experience that project-level grievance mechanisms often suffer from lack of independence, capacity, and resources. Also, ADB AM does not require complainants to solve problems with project-level grievance mechanism.
- Communities should have access to representation of their choosing, whether that be local or international representatives. In light of the shrinking space for human rights and environmental defenders, access to international *and* local representation is needed.
- Burden on complainants wishing to move from dispute resolution to compliance is unnecessarily high. Dispute resolution is a voluntary process. If communities want to end the dispute resolution process and move into compliance, the case should be transferred, as is the practice at the CAO.
- The complaint process should be gender responsive and culturally appropriate. Complaints should be accepted in any language, and the PPM will respond and facilitate the process in that language. The burden of translation should be on the PPM. Complaints should be accepted orally, email, fax.
- Timelines should be included in the policy itself and must be subject to public consultation. Equally concerning are the limitations placed on access to the PPM in projects covered under country or client systems in **para. 79** of the draft PPM. The reassurance in the ESP that “Use of a Client’s systems does not preclude access of

affected stakeholders to the Bank’s oversight mechanism or Project-level grievance mechanisms” is narrowly interpreted so as to make it virtually impossible for project-affected people to gain access to the PPM.

3.4 Absence of clear remedies and remedial actions to be employed

The central objective of the PPM should be to provide effective and meaningful remedy to communities harmed by an AIIB-financed project. The policy does not mention what kind of remedies are available to communities to compensate for economic and non-economic losses. The timeline and lifetime remedial actions should be explicitly provided. We also ask if the effectivity of the action plan is contingent upon its having been fully implemented.

3.5 Contentious provision on the use of co-financiers’ or clients’ system

Bearing in mind that the majority of AIIB’s portfolio consists of co-financed projects—with other IFIs such as the European Bank for Reconstruction and Development, World Bank, and Asian Development Bank—it is imperative that AIIB bears responsibility for the social and environmental outcomes of those projects. Excluding communities affected by co-financed projects from access to the PPM is to deny them the opportunity to hold the AIIB accountable to its commitments in its ESP. Not only would such an exclusion deny communities the opportunity for redress, it would also deny the AIIB the opportunity to learn from its mistakes thus, contradicting its stated purpose to enhance institutional accountability.

4. Detailed critique of the PPM

These detailed comments were expressed by the different groups who were present during the Southeast and South Asia consultations held last February 5, 2018 in Pasig, Philippines, on February 25, 2018 in Dhaka, Bangladesh and on March 23, 2018 in Bishkek, Kyrgyzstan.

A. Issue on Independence and Structure

MD, CEIU and Head of Secretariat (Section 4.5.2 and 4.5.3)

Project Specific Taskforce (Section 4.5.4)

Board oversight

	Comments
1.	<p>Although the Project-Affected People's Mechanism (PPM) reports to the Board, there are concerns that the <u>best practice safeguards for bank mechanisms</u> to insulate the mechanism from management are not included in the current draft of the policy. These best practices, which will provide <u>integrity</u> and legitimacy to the mechanism may involve:</p> <ul style="list-style-type: none"> • A fixed term for the head of a mechanism • A bar from being employed at the Bank after their term; and • A selection processes that involve external stakeholders (principle of <u>inclusion</u>), including CSOs

	<ul style="list-style-type: none"> There is no detail on how the Board will ensure the independence of the CEIU, including failure from invoking the biases of Board members on ongoing PPM complaints, concerns, and dispute resolution cases.
2.	<p>MD, CEIU and Head of Secretariat (Section 4.5.2 and 4.5.3)</p> <ul style="list-style-type: none"> The MD CEIU is focused on 3 other functions. This departs from the best practice at other mechanisms where it is the <u>full-time role</u> of the Head of each mechanism to oversee complaints. The proposed PPM suggests that the MD, CEIU will chair the task force for every complaint that is filed, in addition to all of his other duties. We fear this will jeopardize the swift processing of the respective complaint cases and arbitrary decision making for very sensitive issues, which will have grave impacts on local people if not addressed due diligently.
3.	<p>Project Specific Taskforce (Section 4.5.4)</p> <ul style="list-style-type: none"> Should the complainants have <u>reservations regarding the composition of the TF members</u>, the PPM fails to describe a process which ensures that these reservations are responded to, even before the start of the review/resolution process. The Task Force role in monitoring Remedial Action Plan implementation is grossly undermined in the policy while they are entrusted to find the complaint eligible to begin with. The monitoring of on site implementation of the RAP by the investigating Task Force is essential for the due diligent access to remedy by the project affected people. It must be reiterated that non-compliance on part of management and and/or client is the reason for the complaint, thus the role of the independent TF to monitor the RAP is critical to avoid any biases by the implementing actors (in this case the bank and borrower). The policy mentions <u>pre (1 year) and post (2 years) employment cooling off periods</u> for the project-specific task force. The expectation of future employment in the AIIB by CEIU Staff, MD and TF members will jeopardize their neutral role in handling ongoing concerns, dispute resolutions, and complaints. We strongly urge the PPM to state that after serving in the CEIU as MD or Secretariat Staff or the Taskforce, all personnel should be barred from future work in the AIIB after the end of their tenure to ensure objectivity.
4.	<p>External Legal Counsel (Section 6.4)</p> <ul style="list-style-type: none"> The PPM should have recourse to <u>external</u> legal counsel/advise to ensure independence and avoid any conflicts of interest associated with the Office of the General Counsel at the AIIB, which also advises management. OGC is mentioned to have an advisory function to the PPM. We recommend that PPM Secretariat and MD CEIU should remain independent from OGC at all times during its operations, as OGC's function is not to ensure AIIB compliance on operations and complaints. PPM may retain the right to external legal counsel outside OGC considering their independent structure from management.
5.	Board oversight

	<ul style="list-style-type: none"> • There should be more Board oversight on PPM functioning. The role of the Board is not clearly demonstrated in the PPM, during the complaint, concern and dispute resolution stages. A growing concern has also been the influence of biases by Board members on ongoing complaints in other MDB mechanisms, this PPM fails to address how these issues may be resolved to ensure PPM functioning and independence.
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B. Issue on Accessibility

	Comments
1.	<p>The introduction to draft PPM says “Project-affected people should have ample opportunity to raise any concerns with AIIB staff during the processing of a financing”. However, the multi-tier concern mechanisms and processes would reduce this scope and make it difficult for project-affected people to file a concern.</p> <ul style="list-style-type: none"> • This complex arrangement must be simplified to a single-window concern-raising mechanism. • Point 22-24 (trajectory of the 3 tracks). Point 22 states ‘Complaints may only be filed after approval of a Sovereign-backed financing or the signing of the legal agreements...’ We urge the AIIB PPM to take out this conditionality for complaints and introduce clear language, which explicitly states that complaints can be filed even at the pre-approval stage to ensure addressing issues, which entail potential risk to local communities. The complainant should have the right to move from a ‘concern’ to a ‘complaint’ based on their own assessment of potential harm. It will be up to the PPM Task Force to deem if the complaint is eligible in terms of non-compliance to AIIB policies and standards. There should be no restriction in the ability for local communities to file a complaint using the PPM at pre-approval stage of a project.
2.	<p>Paragraph 33 under section 4.4.3 lays out the eligibility requirements for any compliance review. This review mechanism stressing on “a clear and sufficiently detailed complaint” and “reasonable likelihood of substantial adverse potential or actual impact” puts severe onus on the communities/groups/peoples already under the threat of severe impacts that could possibly destabilize/ruin/impair their lives and livelihood.</p> <ul style="list-style-type: none"> • The Bank should simplify the criteria by a plain and simple acceptance of all concerns being raised due to its projects that have caused or may cause harm.

<p>3.</p>	<p>The multi-layered approach of AIIB staff/Management and the GRM and the need to show “these efforts, including preferably efforts at problem-solving through a dispute resolution process, have not led to a satisfactory result.” must be done away with as these constrict the possibility for an open dialogue with the Bank to resolve the issues.</p> <ul style="list-style-type: none"> • Complaints must be accepted from any person instead of a minimum of two persons in paragraph 15 under Section 4.3.2 • For Point 33 we strongly urge the removal of the binding requirement on complainants to see through dispute resolution (DR) channels first before filing a complaint. A project affected person (s) may or may not choose DR as a means to pursue their issue, and this should have no bearing on their right to access compliance review in the PPM. This puts an enormous and unrealistic burden of proof on local peoples act of good faith before being provided the opportunity to file a complaint. • On Point 34, for extreme situations, where local communities are under persecution by client authorities, we urge the AIIB to exempt them from the conditions: (ii) ‘copies of all relevant correspondence...’ with Bank and Client (iii) ‘refer to...relevant ESP provisions which AIIB has not followed.’ Please note project affected people may have no knowledge of the ESP let alone the ESF, to expect them to analyze bank policy in the context of non-compliance is unrealistic and almost oppressive to even consider. NGO Forum on ADB is disappointed in AIIBs lack of empathy for local people as indicated by point 34. We urge the AIIB to remove these unrealistic restrictions it has placed on poor people who only seek justice from the harm, which AIIB and its Clients will cause. • Point 35 suggests that project operations may continue as complaints and PPM functions are being engaged. In case of eligible complaints where clear harm and potential of further harm are evident, the AIIB should suspend project operations immediately. We urge the AIIB to ensure explicit language which gives the PPM the power to suspend and stop project operations in cases where continuing operations would lead to further harm and deepening of adverse impacts. • The complaint process should be gender responsive and culturally appropriate to enable all complainants to approach the Bank without any apprehension, prejudice, etc. • It is vital to include timelines in the process to ensure an effective and timely response to all concerns and complaints that have been raised. • Options for compensation, remedial action and/or post-project cycle compliances must be stated and specified by the Bank.
<p>4.</p>	<p>All clauses of paragraph 19 under Section 4.3.5 relating to Subject Matter Exclusions must be strictly taken out as they can potentially debar any genuine concern or complaint by invoking any of these clauses. Also, the reference to “conflict of interest” in paragraph 16 must be taken out to avoid similar situations. This will allow both Clients and AIIB staff to file complaints on issues of non-compliance.</p>

	<p>The exception on third party Clients from being under the purview of PPM investigations is a gross negligence. AIIB will finance subprojects through FIs and other funder modalities, this will include trans-boundary and large-scale infrastructure with immense potential for direct harm on people and environment. The Bank should hold third party clients accountable on it's own standards if they are doing projects financed by AIIB. AIIB is mobilizing public finance the onus on accountability is on the Bank for all its financing operations. NGO Forum on ADB strongly urges the bank to remove this exception and bring third party clients into compliance.</p>
<p>5. Others</p>	<ul style="list-style-type: none"> • Guiding principles (Clause 4.2). With AIIB's intentions to finance de-facto governments in its Operational Policy on International Relations, we strongly suggest that the PPM should be operating under the principle of proactive confidentiality of all complainants to ensure reduction of risk for retaliation at the local level from all forms of borrowing clients. • The PPM fails describe how to inform potential Project Affected Peoples of the project on initiation of loan processes and how they can engage the project cycle (language and the period 4.3.4) • Dispute Resolution (Clause 4.4.2). Schedule of disputes should be in the Annex. Dispute can be submitted as long as adverse impacts of projects persist because the projects have spill-over impacts and long-term impacts. • Definition of project affected people needs to be broadened since there are secondary <i>impacts beyond the project area</i>. For e.g. Thermal or Hydro power stations. This will include upstream and downstream concerns, with circumstances of intra-generational impacts due to damage of life-supporting environmental systems.

B.1 Similarly, access to remedy for communities impacted by Co-financing/Country and Corporate Systems

	<p>Comments</p>
<p>1.</p>	<p>Clause 5.3 relating to Processing needs to be in sync with guideline principles (4.2). Co-financing and country corporate system is very restrictive and has a potential to absolve or exonerate the Bank of its obligation as the funder.</p> <ul style="list-style-type: none"> • There is a need to incorporate whistle blower's protection system or compliant protection system with a firm commitment of the complainant's anonymity, not revealing the identity to the management or the client to avoid retaliation.
<p>2.</p>	<p>In any and all co-financing, both and all financiers' mechanisms shall be invoked. Point 29 addresses that situations of coercion may rise during dispute resolution, the</p>

	PPM proposes to be subservient to national laws and standards. For Point 29, NGO Forum on ADB strongly suggests replacement of the current provision with more clear language that demonstrates that in cases where dispute resolution and remedy issues are being debated the higher standards be it the Bank's or the Client's should be applied after assessment by the independent PPM Task Force.
3. Others	<ul style="list-style-type: none"> For projects using country or corporate systems, "In considering any submission, PPM will take into account any proceedings filed in local fora and the effect of any of its decision on local fora to avoid a situation where two contradictory findings may be made. PPM will avoid making any pronouncement on function of local courts or tribunals." On this issue the PPM doesn't not clarify if judicial or parallel proceedings would be a bar to complaints. Also, for projects using country or corporate systems, communities should also be able to file a complaint with the PPM without the undue burden of proving that the AIIB was "grossly negligent" in its determination of "material consistency." "Grossly negligent" is too high a burden of proof for communities to meet.

C. Issue on Delivering Effective Remedy/Board

	Comments
1.	The central objective of the PPM should be to provide effective and meaningful remedy to communities harmed by an AIIB-financed project. In order to deliver effective remedy. Why is redress or remedy not mentioned as being part of the purpose of the mechanism? -(See Provision 4.1). It must be pointed at the outset the draft PPM is vague in terms of remedies for Project-Affected People. The policy does not mention what kind of remedies are available to communities to compensate for economic and non-economic losses.
2.	<ul style="list-style-type: none"> The PPM does not clarify what are the outcomes for PAP (project affected people) when they access compliance review or Dispute resolution. The PPM does not clarify what resolution means in tangible terms (Provision 5.4 defines remedial action/ resolution as being essentially an agreement to address ESP-related concerns) The PPM must be in a position to stop financing when there are violations or non-compliance with AIIB's standards. This is a best practice at other mechanisms (such as the UNDP's mechanism); The Board which approves the action plan should be provided with the discretion to add to the courses of actions or recommendations outlined in the action plan to better address the issues raised; Remedial actions or action plans should be enforced notwithstanding pending actions availed of by project-affected communities - this reaffirms the independence of the PPM and the remedies that project-affected communities

	<p>may avail of (on the question of a bar to actions should there be other remedies accessed by project-affected communities in their country systems);</p> <ul style="list-style-type: none"> • Timeline and lifetime for remedial actions should be explicitly provided. The present draft does not provide for these. The effectivity of the action plan must be contingent upon its having been fully implemented. • Remedial funds should be established by the bank, which should be included in loan agreement – for communities akin to a bond to secure project-affected communities from harms. The fund/bond acts as an indemnity mechanism, which will be taken out from the funds accessed by the borrower. • There is no provision or procedure for appeal should there be an unfavorable ruling for PAP. The PPM should be clear on this to ensure meaningful access. Appeal procedure should be guaranteed; • Presumption should be for confidentiality unless otherwise indicated by the PAP. Absolute confidentiality should be guaranteed to complainants accessing the PPM
<p>3.</p>	<p>Remedial Plan and Action</p> <ul style="list-style-type: none"> • Remedial action plans should incorporate complainants’ views in the draft stage to ensure effective remedial action. • Remedies should ensure livelihood restoration and bringing back quality of life to pre-project levels if not better. PPM Task Force must have due diligent role in onsite monitoring the remedial action plans with frequent site visits and board reporting feedback. Non-compliance of implementation to remedial action plans should lead to punitive action taken by AIIB on both client agencies and bank officials in order to ensure effective implementation of remedial action plan.

Concluding Reflections

The proposed PPM raises more concerns than providing clarifications. During this consultation phase, the review of this draft policy strongly suggests that PPM is still quite far from where it needs to be in order to fulfill its aims at delivering the AIIB into compliance and ensuring remedy to project affected people. The above-mentioned comments by FORUM and its allies is an effort by civil society to bring to light the gaps and potential risks that this draft PPM may have once it is put into operations. FORUM believes that civil society organizations play an integral role in the PPM and will continue to critically engage stakeholders of AIIB especially on the issue of project impacts on local communities and the environment.

We hope the Bank will take a bold stand in considering and adopting the various recommendations where issues and concerns have been flagged at each sections of this proposed PPM in order to make the necessary changes to the PPM. We believe in the case of PPM, the goals of AIIB and civil society are one and the same; which is to ensure that the most vulnerable are the least adversely affected. We look forward to the next draft and a more pragmatic, contextual, sincere, and effective PPM.

Sincerely yours



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Signed by the following Organizations:

Accountability Counsel, International
ActionAid, Bangladesh
AKSI!, Indonesia
Asia Climate Change Consortium, Regional
Asian Peoples Movement on Debt and Development (APMDD), Regional
Bank Information Center (BIC), USA
Bank Information Center (BIC), Europe
Birdlovers Center, Armenia
Bir-Duino-Kyrgyzstan, Kyrgyzstan
Both Ends, The Netherlands
Campaign for Sustainable Rural Livelihood (CSRL), Bangladesh
Center for Energy, Ecology and Development (CEED), Philippines
Centre for Environmental Justice, Sri Lanka
Center for Human Rights and Development, Mongolia
Civil Voice, Armenia
Christian Aid, Bangladesh
Climate Watch Thailand, Thailand
Coastal Livelihood and Environmental Action Network (CLEAN), Bangladesh
Committee for the Abolition of Illegitimate Debts (CADTM), India
Crude Accountability, Kazakhstan
Development Synergy Institute (DSI), Bangladesh
Deveremate, Bangladesh
Ecoforum of Uzbekistan, Uzbekistan
Environics Trust (Environics), India
Equity and Justice Working Group Bangladesh (EquityBD), Bangladesh
External Aid Monitoring Committee, Member of Public Council of Ministry of Economy,
Kyrgyzstan
The NGO Toxic Action Network Central Asia, Kyrgyzstan
Nash Vek Public Foundation, Kyrgyzstan
Freedom from Debt Coalition (FDC-Cebu), Philippines
Friends of the Earth Japan, Japan

Friends of the Earth, International
Green Innovation and Development Centre (Green ID), Vietnam
Green South Foundation, Thailand
HDC Tree of Life, Kyrgyzstan
IFI Monitoring Group, Azerbaijan
Inclusive Development International (IDI), USA
Independent School of Journalism "Tajikistan XXI Century", Dushanbe, Tajikistan
Indian Social Action Forum (INSAF), India
Initiative for Rights View (IRV), Bangladesh
International Accountability Project, International
International Rivers, USA
Legal Rights and Natural Resource Center (LRC), Philippines
Nadi Ghati Morcha, Chattisgarh, India
Nash Vek Public Foundation, Kyrgyzstan
National Committee to Protect Oil, Gas, Mineral Resources, Power and Ports, Bangladesh
NGO Forum on Cambodia, Cambodia
Oxfam
Pakistan Fisher Folks Forum, Pakistan
Philippine Movement for Climate Justice (PMCJ), Philippines
Progressive Plantation Workers Union (PPWU), India
Regional Initiatives Research Institute,
River Without Boundaries, Regional
Strategy Development Center, Uzbekistan
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