

Undermining accountability at the Asian Infrastructure Investment Bank: Public statement from concerned civil society on the AIIB Accountability Framework

6 April 2018

We, the undersigned civil society groups from around the world, express our alarm and deepest concern about the AIIB's impending decision on its Accountability Framework.

At its Board meetings this April 8-11 2018, the AIIB is proposing to give the power to approve some projects to the Bank's Management, rather than the Bank's 12-member Executive Board. It is as yet unclear which projects will be removed from Board approval, and under which criteria, since there is very little or no information available at the time of this writing.

This decision goes to the heart of the question of governance at the Bank. Board members are accountable to their constituent governments, shareholders of the AIIB, for their decisions. Shareholder governments in turn are responsible to their citizens for ensuring that the Bank upholds its environmental and social standards in its lending operations. In essence, the project approval process by the Board provides an opportunity for civil society and potentially affected communities to raise their concerns with their representatives, to ensure decisions are well-informed and take account of potential harms.

Transferring the right of approval from the Board to Management undermines this crucial chain of accountability. It threatens the commitments made by shareholders such as the UK and Germany, as well as other member governments, that they would ensure the AIIB, as the world's newest multilateral development bank, would uphold international standards and best practice.

AIIB shareholders have indicated that 'thresholds' could be set for determining which projects will still come before the Board, including for example whether a project is the 'first' in a sector or a country. However, such thresholds are not meaningful in terms of potential harms to local communities and the environment. In addition, public disclosure standards at AIIB are extremely weak with the current draft Policy on Public Information failing to specify the time-bound public release of project specific documentation. This contributes to further undermining the ability of concerned stakeholders to flag potential problems to the Board or the Bank.

The forthcoming Board decision to delegate responsibility to AIIB Management to approve its own projects represents a fundamental shift in the way the AIIB is governed. Such a radical move should not happen without significant public debate and at a minimum full disclosure and discussion around the thresholds for such delegation. In the meantime, civil society requests that the Board defers its decision until further discussions have taken place among key stakeholders.

Signed:

1. NGO Forum on ADB

also:

2. Accountability Counsel

3. African Law Foundation (AFRILAW), Nigeria

4. All India Forum of Forest Movements (AIFFM), India

5. All India Women Hawker Federation, India

6. All India Union of Forest Working People, India

7. Alliance for Rural Democracy (ARD), Monrovia, Liberia

8. Amita Bhide, Professor, TISS Mumbai, India
9. Ashish Ranjan, National Alliance of People's Movements India
10. Bank Information Center, US
11. Bank Information Center, Europe
12. Bargi Bandh Visthapit Avam prabhavit Sangh Madhya Pradesh, India
13. BIRSA Jharkhand, India
14. Both ENDS, Netherlands
15. Bretton Woods Project, UK
16. Buliisa Initiative for Rural Development Organisation (BIRUDO) Uganda
17. CEE Bankwatch, Europe
18. Center for International Environmental Law (CIEL), US
19. Centre for Financial Accountability New Delhi, India
20. Center of Concern, US
21. Chhatisgarh Bachao Andolan, India
22. Christian Aid, UK
23. Chutaka Parmanu Pariyojana Sangharsh Samiti Madhya Pradesh, India
24. Collectif Camerounais des Organisations des Droits de l'Homme et de la Démocratie, Cameroon
25. Coordination Office of the Austrian Bishop's Conference for International Development and Mission, Austria
26. Crude Accountability
27. Environics Trust India
28. Focus on the Global South India
29. Forest Peoples Programme, UK
30. Friends of the Earth US
31. Friends with Environment in Development (FED), Uganda
32. Ghar Bachao Ghar Banao Andolan, India
33. Globale Verantwortung - Arbeitsgemeinschaft für Entwicklung und Humanitäre Hilfe, Austria
34. Green Advocates International, Monrovia, Liberia
35. Habitat and Livelihood Welfare Association, Mumbai, India
36. Himanshu Upadhyaya, Asst. Professor, Azim Premji University, India
37. Inclusive Development International
38. Intercultural Resources, New Delhi India
39. International Accountability Project
40. International Labor Rights Forum
41. Jamaa Resource Initiatives, Kenya
42. Jharkhand Mines Area Coordination Committee Jharkhand, India
43. Karavali Karnataka Janaabhidhiddhi Vedike (KKJV) India
44. Mazdoor Kisan Shakti Sangathan, India
45. Mines Minerals and People, India
46. Nadi Ghati Morcha, India
47. National Hawkers Federation, India
48. New Trade Union Initiative, India
49. Observatoire d'Etudes et d'Appui à la Responsabilité Sociale et Environnementale (OEARSE) RD. Congo
50. Oyu Tolgoi Watch, Rivers without Boundaries, Mongolia
51. Prafulla Samantara, Lokshakti Abhiyan Odisha, India
52. Public Services International Asia Pacific
53. Re:Common, Italy
54. Samir Mehta, International Rivers, India
55. Sam Pillai, India
56. Soumya Dutta, Bharat Jan Vigyan Jatha & Beyond Copenhagen Collective, India
57. Srujan Lokhit Samiti Madhya Pradesh, India
58. The Natural Resources Women Platform, Monrovia, Liberia
59. Ulu Foundation, US
60. Urgewald, Germany
61. Working Group on IFIs India