

Asian Infrastructure Investment Bank
September 2025

Via electronic mail

Re: Recommendations for the Draft Revised Project-affected People's Mechanism (PPM) Policy and Rules of Procedure.

Dear Board of Directors,

We thank you for this opportunity to share our recommendations on the draft revised PPM Policy. We are civil society organizations supporting communities affected by Asian Infrastructure Investment Bank's (AIIB) financing and we share your commitment to making the PPM a credible institution capable of holding AIIB accountable and facilitating meaningful remedy.

The Complaints resolution, Evaluation, and Integrity Unit, which houses the PPM, is the only AIIB department with a direct reporting line to the Board and a crucial part of how the Board exercises its oversight function. An independent, accessible, and fit for purpose PPM is essential for achieving AIIB's development mandate and safeguarding AIIB's reputation as a responsible investor. A robust oversight mechanism is also crucial to AIIB's governance and risk management that supports its creditworthiness.

The current consultation is the last chance for the Board to effect meaningful change to the PPM Policy. As the Board seeks to approve the revised PPM Policy, we set out below the most important policy recommendations for both the PPM Policy and the PPM Rules of Procedures, which would ensure that the current accessibility challenges are meaningfully addressed and the space for continuous learning is preserved. The full list of recommendations and proposed policy language changes can be found [here](#).

Draft Revised PPM Policy

1. **Prior engagement with Management and project-level GRMs should only be optional:** As of now, the PPM has the disappointing track record of **0 eligible cases** in the past 7 years of functioning, primarily due to its high eligibility barriers. However, the draft of the revised PPM Policy still requires two levels of prior engagement. Maintaining a high initial entry barrier and creating a list of exceptions, that is open to subjective interpretation, is only going to create a lack of predictability and enable undue discretion in eligibility determinations. Eliminating this requirement altogether would bring the PPM in line with international good practice. However, if the PPM is not willing to take that step at this time, we recommend two alternatives that are better than the current draft:
 - (a) *Requestors should be required to engage with either project-level GRM or management but **not both**.* This approach is consistent with [African Development](#)

Bank's Independent Recourse Mechanism. It recognizes that in practice, project-implementers and management often work together to resolve issues and thus communities should not be required to separately reach out to them.

Para 4.1, Revised PPM Policy:

The PPM process is available to Requestors after they make **good faith** efforts to resolve their issues with the Project-level GRM **and or** Management. This approach enables timely resolution of these issues at the Project level using the Client's GRM complemented by Management's support when needed.

(b) Prior engagement with PL-GRMs should be optional. Project level GRMs, are often unsuitable/unequipped or potentially dangerous forums for affected communities. Prior engagement with them should therefore not be required.

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2. **The PPM's verification mandate should be strengthened:** The PPM's monitoring mandate should not be limited to exceptional circumstances, nor require prior Board approval as there should be independent oversight over whether the MAP is implemented in all cases where non-compliance by the management has been found. To that end, the PPM should also be required to submit its verification reports to the Board and disclose it on its complaints registry.
3. **Management's obligations when complaints are filed to co-financiers IAM should be strengthened:** The PPM should be able to accept complaints in all co-financed projects. However, even the proposed revisions to PPM Policy regarding AIIB's management's obligations in cases where co-financier's IAMs find non-compliance, do not sufficiently outline AIIB's responsibilities towards affected communities. The AIIB's Management's report to the AIIB Board should include both opportunities for institutional learning and remediation of harm for project-affected communities. The PPM should also have an opportunity to comment on the Management report, before it is finalized. The report and PPM's comments should be presented to the AIIB's Board and disclosed in the complaints registry.
4. **The Board should be actively involved in the hiring of the MD-CEIU and resourcing of the PPM:** The PPM's ability to carry out its oversight function in an unfettered,

impartial and effective way, with integrity, in the face of pressure by internal and external stakeholders relies on its independence from Management. Such independence must be enshrined in its Policy and implemented in practice. It can be strengthened through increased Board involvement and external stakeholder-involvement in the hiring of the MD-CEIU and resourcing of the PPM team, which would help legitimize the process and build trust with external stakeholders.

5. **The PPM Policy should be reviewed every five years:** The PPM policy must be regularly reviewed and updated to keep pace with the prevailing practices in development finance and be fit for purpose. The PPM must therefore have the authority to initiate its own review at regular intervals rather than requiring Board endorsement, which would risk the policy not being reviewed again for multiple 5-year cycles.

Rules of Procedure

The full list of recommendations and proposed policy language changes to the PPM Rules of Procedure can be found [here](#).

1. The definition of Project-affected People should be clarified to include those who experience indirect harm caused to biodiversity, heritage sites and other global public goods. AIIB has a responsibility to prevent, mitigate and remedy such harms too even if no communities are directly harmed and therefore have standing to bring complaints.
2. The ROP should acknowledge the asymmetries between the Parties in terms of resources, capacity, political power and information regarding the issues at all. It should require the PPM to take active steps to ameliorate the asymmetries.
3. Paragraph 6.6.2 of the ROP should be updated to require the dispute resolution and subject-matter specialists appointed in dispute resolution processes to be (1) a neutral, professional mediator whose background and skills are suitable to the context and dynamics of the case; and (2) mutually agreed to by the parties.
4. The criteria against which the PPM assesses whether there has been non-compliance in compliance review processes under paragraph 6.7.2 should exclude criterion (d) on Management's awareness of, and explanation for, its noncompliance and criterion (e) on the adequacy of Management's proposed remedy, which are irrelevant to any objective findings of non-compliance.
5. The review has recognized a need to develop a protocol responsible exit. An essential aspect of that is the need for PPM's continued involvement in a case, without delay, even if AIIB or the Client exits the Project.

Sincerely,

Accountability Counsel

Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE)

Buliisa Initiative for Rural Development Organisation (BIRUDO)

Community Empowerment and Social Justice Network (CEMSOJ)

Defenders in Development Campaign

Ecolur informational NGO

Friends with Environment in Development

Fundación CAUCE: Cultura Ambiental - Causa Ecologista

Fundeps

Gender Action

Growthwatch

Inclusive Development International

Inisiasi Masyarakat Adat (IMA)

Jamaa Resource Initiatives, Kenya

Jubilee Australia Research Centre

Latinoamérica Sustentable

MiningWatch Canada

NGO Forum on ADB

Oyu Tolgoi Watch

Recourse

Rivers without Boundaries

Rivers without Boundaries Mongolia

Sustentarse

Urgewald

Uzbek Forum for Human Rights