

**AIB Response  
to the Letter of January 16, 2023 from  
Peggy Hicks, Director  
Thematic Engagement, Special Procedures and Right to Development Division  
Office of the United Nations High Commissioner for Human Rights (OHCHR)**

No.	Questions from OHCHR	Responses from AIB
1	How does the AIB identify, prevent and address human rights impacts and risks in its operations and activities?	<p><b>Overview</b></p> <p>AIB’s approach to addressing human rights risks and impacts is largely covered in its Environmental and Social Framework (ESF), which was most recently updated with the approval of AIB’s Board of Directors in November 2022. Please refer to the <a href="#">ESF</a> for further information.</p> <p>Concern for human rights permeates AIB’s approach to addressing environmental and social risks and impacts in the Project it supports. This is highlighted in the ESF as follows:</p> <p><i>“The Bank believes that social development and inclusion are critical for sound development. For the Bank, inclusion means empowering people to participate in and benefit from the development process in a manner consistent with local conditions. Inclusion encompasses policies to promote equality of opportunity and nondiscrimination, by improving the access of poor, disadvantaged and disabled people to education, health, social protection, housing, environmental quality, infrastructure, affordable energy, water and sanitation, employment, financial services and productive assets. It also embraces action to remove barriers against vulnerable groups,<sup>1</sup> who are often excluded from the development process, so that their voices can be heard. In this regard, the Bank seeks, through the Projects it finances, to be supportive of these human rights and to encourage respect for them, all in a manner consistent with its Articles of Agreement.”</i> (Vision Statement, Section 13).</p> <p><b>Gender, Disability, Labor, Indigenous Peoples</b></p> <p>Different aspects of human rights, such as gender, disability and labor are more specifically addressed throughout the ESF in the context of specific provisions relating to these matters.</p> <p>Worthy of note include the following provisions of the ESF’s Vision Statement:</p>

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<sup>1</sup> For a definition of vulnerable groups, see ESS 1, Section **Error! Reference source not found.**, *Vulnerable Groups and Discrimination*.

		<p><i>“The Bank believes that gender equality is necessary for sustainable economic development and improvement of lives. It seeks to support projects that make infrastructure equally accessible to all people and that provide equal opportunities for socioeconomic development. The Bank supports its Clients to identify potential gender-specific opportunities as well as gender-specific adverse risks and impacts under their Projects, and to develop mitigation measures to avoid or reduce such risks and impacts, including, as appropriate, measures to identify and address the risks of gender-based violence (GBV). The Bank supports its Clients to enhance the design of their Projects in an inclusive and gender-responsive manner to promote equality of opportunity and women’s socioeconomic empowerment, particularly with respect to access to finance, services and employment, including equal pay for equal work, and otherwise to promote positive impacts on women’s economic status, with particular regard to financial resources and property ownership and control. The Bank also supports its Clients’ efforts to identify and address the risks of sexual exploitation and abuse (SEA), sexual harassment (SH), and GBV, including intimidation, in the Projects it supports.</i></p> <p><i>...The Bank believes that including persons with disabilities in the development process contributes to sustainable development. Consequently, the Bank supports its Clients' efforts to empower such persons and to identify sustainable solutions that make Projects more inclusive. Through the Projects it finances, the Bank therefore supports efforts to provide equal opportunity to persons with disabilities, including equal access to public facilities and services, and to enable persons with disabilities to live independently where feasible and to be included in the community.</i></p> <p><i>...The Bank recognizes the important role played by workers, employers and their representatives in the development process, and their contribution to sustainable economic growth. It believes that the following measures taken under Projects help to support sustainable development: providing workers with living wages; providing safe and healthy working conditions and putting measures in place to prevent accidents, injuries and disease; avoiding activities involving forced labor and harmful or exploitative forms of child labor; having good human resources management; and having a sound labor management relationship based on equal opportunity, fair treatment, nondiscrimination, freedom of association, right to collective bargaining and access to a workplace grievance redress mechanism, consistent with national law (including international agreements adopted by the Member) governing the Project. The Bank also recognizes the need for Clients to identify, avoid and mitigate the environmental and social risks and impacts of labor influx into Project communities.”</i></p>
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		<p>(Vision, Sections 19, 20 and 21).</p> <p>Particular attention is also given to the human rights of Indigenous Peoples in Section 1 of the ESF’s Environmental and Social Standard 3 on Indigenous Peoples as follows:</p> <p><i>“The objectives of this Environmental and Social Standard (ESS) 3 are to design and implement Projects in a way that fosters full respect for Indigenous Peoples’ identity, dignity, human rights, economies and cultures, as defined by the Indigenous Peoples themselves, so that they: (a) receive culturally appropriate social and economic benefits; (b) do not suffer adverse impacts as a result of Projects; and (c) can participate actively in Projects that affect them.”</i></p>
2	<p>How does the AIIB ensure active, free and meaningful participation of affected communities and stakeholders in the development projects you support and in the fair distribution of benefits resulting therefrom?</p>	<p>The ESF’s objective is to support the environmental and social soundness and sustainability of Projects supported by AIIB through facilitating the integration of environmental and social aspects of Projects into the decision-making process by all parties, through among other things a framework for public consultation and disclosure of environmental and social information in relation to Projects.</p> <p><i>As noted in the ESF, “AIIB believes that transparency and meaningful consultation are essential for the design and implementation of a Project and works closely with its Clients to achieve these objectives. Meaningful consultation is a process that begins early and is ongoing throughout the Project. It is inclusive, accessible and timely, and is undertaken in an open manner. It conveys adequate information that is understandable and readily accessible to stakeholders in a culturally appropriate manner and in turn, enables the consideration of stakeholders’ views as part of decision-making. Stakeholder engagement is conducted in a manner commensurate with the risks to, and impacts on, those affected by the Project. In the context of a Project in which the Bank determines that there are risks of retaliation against the Project’s stakeholders, or of other threats to their safety, it seeks to work with the Client so that the Client avoids or minimizes such risks.”</i> (ESF Vision Statement, Section 18).</p> <p>The ESF includes detailed provisions on how meaningful consultation is to be conducted by the Client with stakeholders during the Project’s preparation and implementation, in a manner commensurate with the risks to and impacts on those affected by the Project. (See, e.g., Environmental and Social Policy, Sections 69, 70; Environmental and Social Standard 1, Environmental and Social Assessment and Management, Section 23; Environmental and Social Standard 2, Land Acquisition and Involuntary Resettlement, Section 17; ESS 3, Indigenous Peoples, Sections 12-17.)</p>

<p>3</p>	<p>What efforts does the AIIB undertake to ensure that its operations and activities do not have negative human rights impacts, and what measures has the AIIB taken to address any negative impacts that have occurred?</p>	<p>Under the ESF, AIIB is required as part of its due diligence assessment and oversight of each Project it supports, to consider the environmental and social risks and potential impacts of the Project.</p> <p>Under the ESF, AIIB also requires its Client to conduct an environmental and social assessment of the Project's risks and potential impacts, and to develop and implement environmental and social instruments appropriate for the Project, such as an environmental and social management plan, land acquisition and involuntary resettlement plan and/or Indigenous Peoples plan, in order to address these risks and potential impacts. Copies of these environmental and social instruments for each Project may be found on <a href="#">AIIB's Project website</a>.</p> <p>AIIB further requires the Client to develop and use appropriate Project-level grievance redress mechanisms (GRMs) that stakeholders may use if adverse impacts have resulted or may result from the Project.</p> <p>In addition, AIIB's Board approved Policy on the Project-affected People's Mechanism (PPM) is designed to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management processes.</p> <p>AIIB also takes very seriously risks of retaliation, as reflected in both the ESF and more detailed <a href="#">published statements</a>. The ESF provides:</p> <p><i>"Recognizing the increasing risks of intimidation, coercion, manipulation and retaliation in cases where relevant stakeholders express views regarding the environmental and social risks and impacts of development projects, if the Bank determines that a Project presents such risks to the relevant Project stakeholders, it requires the Client to develop measures to protect against them. The Bank will promptly review allegations of such retaliation in connection with the Projects it supports. If such allegations are substantiated to the Bank's satisfaction, the Bank will discuss with the Client measures to be implemented by the Client to address retaliation risks under the Project. If the Client fails to do so within a reasonable time, the Bank will consider taking appropriate action."</i> (Environmental and Social Policy, Section 75).</p> <p>During Project implementation, AIIB staff monitor the Client's application of the ES instruments. If AIIB receives any allegation of human rights violations, and in particular, of retaliation, it seeks to conduct field visits to better ascertain the scope and nature of the allegation, including as appropriate, meetings with community groups, Project-affected people, CSOs and other stakeholders. These meetings may be held in a confidential manner.</p>
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4	Efforts by the AIIB to promote and protect human rights through its partnerships and relationships with other financial institutions, governments, and private sector actors.	<p>AIIB is an active member of working groups established by multi-lateral financial institutions concerning environmental and social issues, including gender, disability, and supply chains.</p> <p>It also participates in working groups concerning access to information.</p>
5	Do States leverage human rights obligations, including the right to development in their engagement and negotiations with the AIIB?	<p>AIIB's members maintain sustained interest in human rights aspects of development, especially in the context of the Projects proposed for AIIB support.</p> <p>AIIB's members who benefit from its Financings engage in dialogue with AIIB on human rights issues in the context of the ESF provisions applicable to these Financings.</p>
6	Please provide examples of how financial assistance and funding by the AIIB to States have either supported or hindered the realization of the right to development.	<p>AIIB's efforts to support the realization of the right to development are undertaken through implementation of the ESF in the context of Projects supported by AIIB. A list of these Projects and related documentation may be found on AIIB's website at <a href="http://aiib.org">aiib.org</a>.</p> <p>It is important to recall Article 2 of the AIIB's Articles of Agreement, which sets out AIIB's functions as follows:</p> <p>"(i) to promote investment in the region of public and private capital for development purposes, in particular for development of infrastructure and other productive sectors; (ii) to utilize the resources at its disposal for financing such development in the region, including those projects and programs which will contribute most effectively to the harmonious economic growth of the region as a whole and having special regard to the needs of less developed members in the region; (iii) to encourage private investment in projects, enterprises and activities contributing to economic development in the region, in particular in infrastructure and other productive sectors, and to supplement private investment when private capital is not available on reasonable terms and conditions;..."</p>