



Rules of Procedure of the Project-Affected People's Mechanism

Issued by the Managing Director,

Complaints-resolution, Evaluation and Integrity Unit (CEIU)

June 13, 2019

Abbreviations

AIIB	Asian Infrastructure Investment Bank
CEIU	Complaints-resolution, Evaluation and Integrity Unit
CR	Compliance Review
CSO	civil society organization
DR	Dispute Resolution
ESP	Environmental and Social Policy
GRM	grievance redress mechanism
IAM	independent accountability mechanism
MD-CEIU	Managing Director, CEIU
NGO	nongovernmental organization
PPM	Project-Affected People's Mechanism
PSI	Project Summary Information
MAP	Management Action Plan
TOR	Terms of Reference

Definitions

Authorized Representative	An individual or organization designated by the Requestors to help deliver a submission to the PPM.
Client	The recipient or beneficiary of the AIIB financing for a Project or any other entity responsible for implementation of the Project. (AIIB Environmental and Social Policy).
Closing Date	For Sovereign-backed loans: the date specified in a Sovereign-backed loan agreement (or later date established by AIIB by notice to the borrower and guarantor) after which AIIB may, by notice to such parties, terminate the right of the recipient to withdraw proceeds of the loan. (Adapted from General Conditions for Sovereign-Backed Loans). For Sovereign-backed guarantees: the date of completion of the Project.
Financing	A Sovereign-backed Financing or a Nonsovereign-backed Financing for a Project. (AIIB Operational Policy on Financing).
Management	AIIB's Vice President and Chief Investment Officer; and Vice President, Policy and Strategy.
Member	The member of AIIB (or other agency of the member which is authorized effectively to pledge the member's full faith and credit) in whose territory the Project is located or for whose benefit the Financing is provided. (AIIB Operational Policy on Financing).
Nonsovereign-backed Financing	Any Financing extended by AIIB that is not a Sovereign-backed Financing. It includes any Financing to, or for the benefit of, a private enterprise or a sub-sovereign entity (such as a political or administrative subdivision of a Member or a public sector entity) that is not backed by a guarantee or counter-guarantee and indemnity provided by the Member to AIIB. (AIIB Operational Policy on Financing).

Project	<p>A specific set of activities for which AIIB is (i) considering to provide Financing (ii) or has approved Financing or (iii) has provided Financing.</p> <p>For the purposes of this definition, AIIB will be deemed to be “considering to provide Financing” if the Project Summary Information Sheet (PSI) for the Project has been disclosed.</p>
Project-affected people	<p>People who may be beneficially or adversely affected by an AIIB-financed Project.</p>
Requestors	<p>Two or more Project-affected people in the Project area of influence.</p>
Retaliation	<p>Retaliation is any detrimental act recommended, threatened or taken (directly or indirectly) against any person to silence him or her, prevent his or her interaction with the PPM or filing of a submission.</p> <p>Forms of Retaliation include harassment, discriminatory treatment, withholding of entitlement, risks to livelihood or reputation and threats of physical violence, criminalization or incarceration.</p>
Sovereign-backed Financing	<p>(i) a loan extended by AIIB to, or guaranteed by, a Member; or</p> <p>(ii) a guarantee extended by AIIB that: (A) covers debt service defaults under a loan that are caused by a Government’s failure to meet a specific obligation in relation to the Project or by a borrower’s failure to make a payment under the loan; and (B) is accompanied by a Member indemnity.</p> <p>(AIIB Operational Policy on Financing).</p>
Working Day(s)	<p>A day from Monday to Friday that AIIB is open for business, excluding holidays.</p> <p>Reference to Working Days in these Rules of Procedure excludes time required for translating material submitted by Project-affected people. This may require variable amounts of time, depending on the complexity of the submission and the official or national language involved.</p>

1. Introduction

- 1.1. AIIB-financed projects (Projects) aim to foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia. These interventions are guided by AIIB's strategy and policies, including for public information disclosure, procurement, financing and environmental and social dimensions.
- 1.2. AIIB's Environmental and Social Policy (ESP)¹ guides sound environmental and social management in the identification, preparation and implementation of Projects. The ESP provides a mechanism for public consultation and disclosure of information on the environmental and social risks and impacts of Projects and provides for use of Project-level Grievance Redress Mechanisms (Project-level GRMs). Therefore, ordinarily, Project-affected people should have the opportunity to raise any concerns with the Client and AIIB during the preparation and implementation of an AIIB-financed Project.
- 1.3. The ESP also provides that AIIB will establish a mechanism to receive 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. The Project-affected People's Mechanism (PPM) established by the Policy on the PPM (PPM Policy)² constitutes this mechanism.
- 1.4. These Rules of Procedure have been issued pursuant to the Directive on the PPM, and enter into effect on 31 March 2019.³ They explain the functions of the PPM, who can file submissions with the PPM and when they can be filed, what submissions are eligible to be considered by the PPM, and how submissions can be filed. They also explain the review process for each type of submission, the effect of a submission on Project preparation and implementation, the information PPM discloses, issues of confidentiality and retaliation, special considerations when Projects are co-financed, and other details regarding the PPM's work.
- 1.5. The Managing Director, CEIU (MD-CEIU) is responsible for issuing, interpreting and, upon consultation with the President, amending these Rules of Procedure.

2. The PPM and its Functions

- 2.1. The PPM provides 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

¹ [Environmental and Social Framework](#). The Environmental and Social Framework includes both an aspirational Vision Statement and the ESP, which includes three associated Environmental and Social Standards and an Environmental and Social Exclusion List (Exclusion List) by which AIIB will not knowingly finance a Project that involves activities or items specified in the Exclusion List.

² Policy <https://www.aiib.org/en/policies-strategies/download/project-affected/PPM-policy.pdf>

³ Directive <https://www.aiib.org/en/policies-strategies/download/project-affected/directive-project-affected.pdf>

AIIB Management processes. AIIB's accountability is enhanced through the following three functions of the PPM:

- 2.1.1. **Handling of Project Processing Queries** (Project Processing Queries), the objective of which is to enable Project-affected people to obtain rapid resolution of their concerns over simple matters which arise during AIIB's environmental and social due diligence of a Project (which includes screening, categorization and assessment of the environmental and social risks and impacts of the Project as set out under relevant ESP provisions) and which do not require dispute resolution; they may include inquiries about the consultation process related to a Project or requests to address any environmental nuisance such as dust, noise or mobility restrictions experienced during Project preparation.
 - 2.1.2. **Dispute Resolution function** (Dispute Resolution), which seeks to facilitate a dialogue between AIIB, the Project-affected people and/or the Client with a view to agreeing on actions to mitigate known and quantifiable, potential or actual material adverse environmental or social impacts that arise during AIIB's environmental and social due diligence of a Project or during Project implementation.
 - 2.1.3. **Compliance Review function** (Compliance Review), which is designed: to investigate allegations by Project-affected people that AIIB has failed to comply with its obligations under the ESP in its environmental and social due diligence of a Project during Project preparation or its oversight of the Project during implementation, thereby causing or being likely to cause material adverse environmental or social impacts on the Project-affected people; and if the allegations are substantiated, to review any action plan proposed by Management to address these impacts.
- 2.2. CEIU is responsible for the proper functioning of the PPM. An overview of the PPM is provided in **Attachment 1**.

3. Persons Who May File a Submission

- 3.1. Two or more Project-affected people (Requestors) may file a submission.
- 3.2. The Requestors may send submissions directly to the PPM or they may authorize an in-country representative (Authorized Representative) to file a submission on their behalf. This representative may be a relative, trusted individual or organization.
- 3.3. In exceptional situations, when in-country representation is unavailable, the Requestors may designate an individual or organization representative outside of the country as their Authorized Representative to file a submission. The Authorized Representative provides necessary assistance in filing a submission with the PPM.

- 3.4. The PPM acknowledges receipt of the submission to the Requestors (with a copy to the Authorized Representative) and initiates communication about the submission with the Requestors.
- 3.5. The PPM does not accept anonymous submissions. This is because the PPM needs sufficient detail to communicate with those who approach it.

4. Time Limits for Filing a Submission

- 4.1. **A Project Processing Query** may be submitted after the Project Summary Information (PSI) in relation to a Project has been disclosed by AIIB and before the approval of the Financing.
- 4.2. **A Request for Dispute Resolution** may be submitted after the PSI in relation to a Project has been disclosed by AIIB and before one of the following dates:
 - 4.2.1. **For Sovereign-backed Financings**, the Closing Date. In exceptional circumstances where the Client continues to be bound by environmental and social undertakings beyond the Closing Date, the PPM may consider the request as eligible if it is submitted during the 24 months following the Closing Date.
 - 4.2.2. **For Nonsovereign-backed Financings**, the date 24 months following the date of the last disbursement of AIIB's funds, or, in the case of guarantees, the date 24 months following the date of the last disbursement under the underlying obligation, or, in the case of equity funding, prior to AIIB's exit from its investment.
- 4.3. **A Request for Compliance Review** may be submitted after the approval of the Financing for the Project and before one of the following dates:
 - 4.3.1. **For Sovereign-backed Financings**, the Closing Date. In exceptional circumstances where the Client continues to be bound by environmental and social undertakings beyond the Closing Date, the PPM may consider the request as eligible if it is submitted during the 24 months following the Closing Date.
 - 4.3.2. **For Nonsovereign-backed Financings**, the date 24 months following the date of the last disbursement of AIIB's funds, or, in the case of guarantees, the date 24 months following the date of the last disbursement under the underlying obligation, or, in the case of equity funding, prior to AIIB's exit from its investment.
- 4.4. The Closing Date of a Sovereign-backed loan is disclosed in the Project Document. The projected disbursement period of a Nonsovereign-backed loan is disclosed in the PSI.
- 4.5. Figures **1(a)** and **1(b)** summarize these submission time limits.

Figure 1(a): PPM Submission Processes and Timeframes: Sovereign-backed Financings

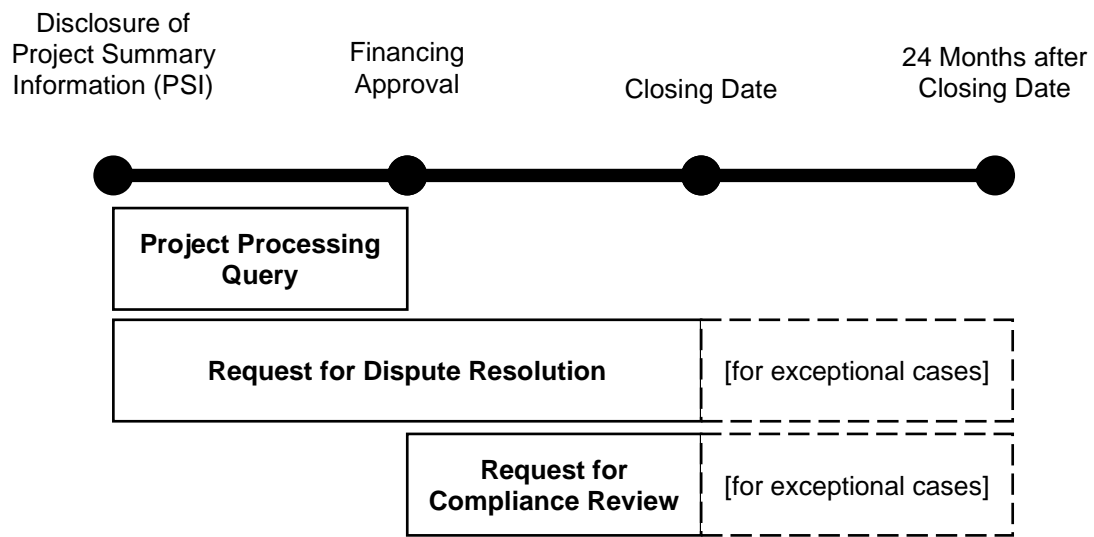
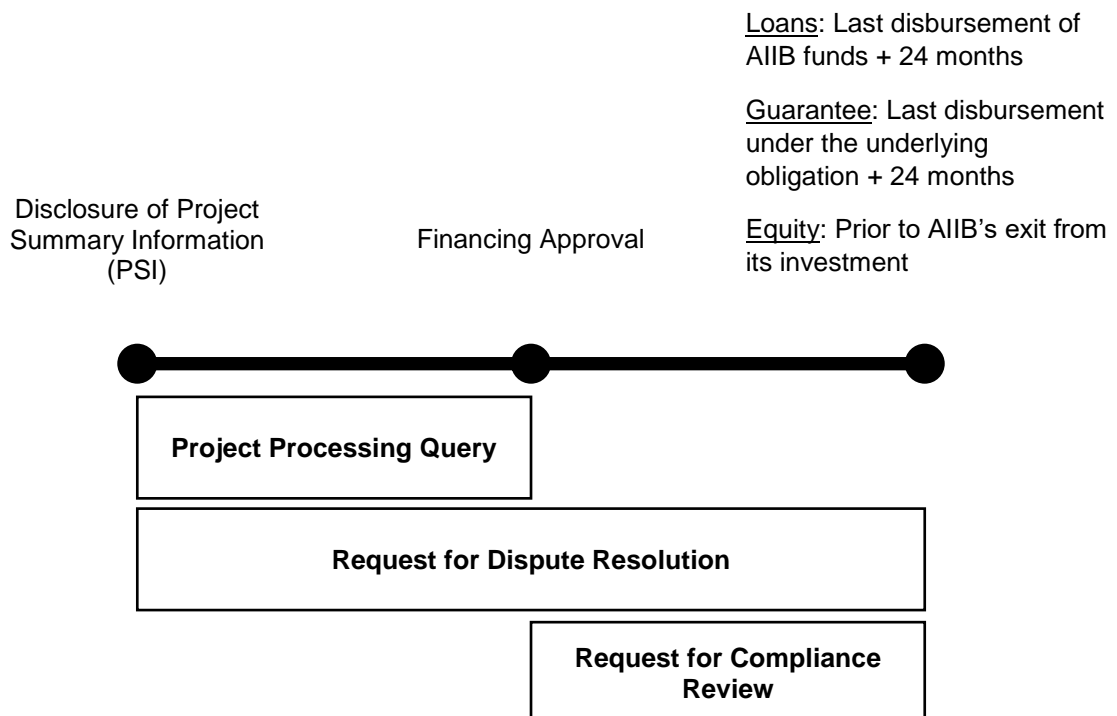


Figure 1(b): PPM Submission Processes and Timeframes: Nonsovereign-backed Financings



5. Eligibility of Submissions

5.1. General Eligibility Criteria Applicable to All Submissions. A submission is ineligible to be considered by the PPM if:

- 5.1.1. It does not relate to a Project that has been approved for financing by AIIB or in relation to which a PSI has been disclosed;
- 5.1.2. It is anonymous;
- 5.1.3. It raises allegations of fraud, corruption or other Prohibited Practices or relates to procurement;
- 5.1.4. It relates to any AIIB policy other than the ESP;
- 5.1.5. It relates to the adequacy of the ESP;
- 5.1.6. The Project is co-financed by another multilateral development bank (MDB) or bilateral development organization, and AIIB has agreed with such co-financier to the application of the environmental and social policies and procedures and to rely on the Independent Accountability Mechanism (IAM) of that co-financier;
- 5.1.7. It is filed outside the time limits set out under Section 4 (*Time Limits for Filing a Submission*) of these Rules of Procedure;
- 5.1.8. The Requestors have not made good faith efforts to resolve the issues with the Project-level GRM and Management or have not indicated to the satisfaction of the PPM why they have been unable to do so. A valid reason could include nonexistence or nonfunctioning of the Project-level GRM or a legitimate fear of Retaliation if a Project-level GRM is used;
- 5.1.9. It raises issues that have already been considered by the PPM, unless there is new evidence or circumstances not known at the time of the previous submission; or
- 5.1.10. It has been filed fraudulently, with frivolous, malicious or improper intent or to gain undue competitive advantage.

5.2. Additional Eligibility Criteria for Compliance Reviews. In addition, a request for Compliance Review is ineligible to be considered by the PPM if:

- 5.2.1. It relates to actions or inactions that do not involve AIIB's failure to comply with the ESP or otherwise raises issues unrelated to AIIB's failure to comply with the ESP;
- 5.2.2. It relates to activities, parties or impacts beyond the reasonable control of AIIB (including the conduct of any Client or any third party, unless that conduct is directly relevant to assessment of AIIB's compliance with the ESP);

- 5.2.3. It relates to laws, policies, or regulations of AIIB's Member government, unless they directly relate to AIIB's compliance with the ESP;
- 5.2.4. It relates to matters concurrently under arbitral or judicial review, save when the Board of Directors authorizes the PPM to process such request; or
- 5.2.5. It relates to the subject matter of an ongoing Project Processing Query or a Dispute Resolution.

6. Processing Submissions

6.1. Content of the Submission.

- 6.1.1. The submission includes the following information:
 - (a) Requestors' name, address, contact details and preferred mode of contact;
 - (b) Authorized Representative's name and contact details, Requestors' authorization to the Authorized Representative to file a submission on their behalf;
 - (c) Any request for confidentiality of the identity of the Requestors or of an in-country Authorized Representative or other information, and reasons for such request;
 - (d) Name and location of the AIIB-financed Project concerned; and
 - (e) Direct and material adverse environmental or social issues to be addressed.
- 6.1.2. The Requestors are encouraged but not required to provide the following additional information:
 - (a) The provisions of the ESP the Requestors consider have not been complied with and how;
 - (b) Any steps the Requestors have taken to resolve the issue (e.g., approaching the Client, the Project-level GRM, Management, government, judicial or law enforcement bodies) and the outcome;
 - (c) The issues that are still not resolved;
 - (d) The Requestors' view of the best way to solve the issue and the most satisfactory result; and
 - (e) Whether the Requestors are submitting a Project Processing Query, request for Dispute Resolution or request for Compliance Review.

6.1.3. The PPM has prepared a standardized optional PPM sample submission form to guide Requestors in preparing their submissions (see **Attachment 2** below). The English language submission form is downloadable from the PPM website. This form will be progressively translated into the official and national languages of AIIB Members where AIIB is currently financing Projects. The PPM help-desk can also be contacted for guidance on correctly filing a submission but does not advise on the substance of a submission.

6.2. Language of the Submission and Other Written Communications.

6.2.1. The working language of AIIB is English.

6.2.2. Submissions and subsequent communications from the Requestors to the PPM may be written in English or in any official or national language of the Requestors' country. A submission will not be rejected on the grounds that it is written in the official or national language of the Requestors' country.

6.2.3. The PPM translates the substantive parts of the submission and of subsequent communications from the Requestors into English if they are not in English.

6.2.4. The PPM's acknowledgment of receipt of the submission is in English and in the language of the submission, if such language is not English.

6.2.5. Thereafter, the PPM's official written communications with the Requestors are in English.

6.2.6. The PPM also translates the substantive part of its communications to the Requestors into the submission language, if the submission language is not English. However, the English language version of AIIB's communications prevails in the case of a discrepancy between the English and translated version.

6.2.7. The PPM notifies the Requestors if translation will delay submission processing and indicates new submission processing dates. Additional time required for translation will not invalidate a submission.

6.3. Filing the Submission.

6.3.1. The submission may be sent to the PPM by mail, email, fax or hand-delivered to PPM.

- 6.3.2. The PPM can be contacted through a dedicated PPM website, via the AIIB homepage <https://www.aiib.org> or by contacting the Managing Director of CEIU at:

**Managing Director,
Complaints-resolution, Evaluation and Integrity Unit**
B-9 Financial St., Xicheng District, Beijing, China 100033
Tel: +86-10-8358-0187; Fax: +86-108358-0003
Email: ppm@aiib.org

6.4. General Processing Provisions Applicable to All Submissions. This section sets out actions applicable to all submissions regardless of the PPM function under which they are to be considered. Subsequent sections describe actions specific to each PPM function.

6.4.1. Indicative Timelines:

- (a) Indicative timelines for handling submissions are set forth below for each action. **Attachment 3** summarizes the indicative timelines for processing submissions under each PPM function in tabular form. Working Days are defined in the Definitions (above).
- (b) The PPM may extend any of these timelines during submission handling if this is essential to ensure full and proper processing of a submission. Time extension may be based on case complexity, difficulty of gathering all necessary information within the timelines specified and similar considerations.
- (c) The PPM notifies the Requestors, Management and the Client, as applicable, of the extension of timeline and records it in the PPM registry.

6.4.2. Acknowledgment of Receipt of a Submission:

- (a) Upon receipt of a submission, the PPM acknowledges receipt of the submission to the Requestors (with a copy to any Authorized Representative) and initiates communication directly with the Requestors about the submission. This acknowledgement does not indicate whether a submission meets the eligibility criteria.
- (b) The PPM acknowledges receipt of the submission within five (5) Working Days following submission receipt.
- (c) In its acknowledgment, the PPM outlines for the function selected by the Requestors, the anticipated submission timeline, processing stages, steps for moving between stages, if necessary, and clarifies the mode of maintaining contact and any requirements for confidentiality.

6.4.3. Request for Confidentiality; Retaliation Assessment:

- (a) The PPM's acknowledgment of receipt of the submission reminds the Requestors (and in-country Authorized Representative, if applicable) who have not requested confidentiality of information and/or identity of the option to do so (see Section 9 and **Attachment 4** below on *Confidentiality and Retaliation*). The Requestors have ten (10) Working Days following the PPM's acknowledgement to advise the PPM of their confidentiality requests, if any.
- (b) The PPM takes any confidentiality requests, if granted under Section 9 below (on *Confidentiality and Retaliation*), into account in its communications with Management, the Client and any other party.
- (c) The PPM also initiates a due diligence review to assess possible risk of Retaliation. Thereafter, the PPM makes all reasonable efforts to reduce the risk of Retaliation to the Requestors (see Section 9 below on *Confidentiality and Retaliation*).

6.4.4. PPM Requests for Additional Information:

- (a) The PPM may ask the Requestors or any other party for more information or clarification to determine submission eligibility. The PPM contacts the Requestors within ten (10) Working Days after issuing the acknowledgment of receipt of the submission and explains the additional information required and specifies the Requestors' response time. Any such information supplied is considered as part of the submission.
- (b) The PPM may temporarily suspend submission processing to allow the Requestors to rectify submission oversights that would otherwise invalidate the submission. The PPM informs the Requestors of this and the additional Working Days allocated for re-submission.

6.4.5. Screening for Eligibility; Registration:

- (a) The PPM determines whether the submission meets the eligibility criteria set out above in Section 5.1 (*General Eligibility Criteria Applicable to all Submissions*). If the submission does not indicate a preferred PPM function to be pursued, or if it appears to indicate an inappropriate function, the PPM contacts the Requestors and recommends the most suitable processing option based on submission content, timing and eligibility criteria, taking the Requestor's proposal, if any, into account. The Requestors' decision on which process they wish to pursue is, however, final, subject to the submission meeting the applicable requirements of Section 4 (*Time Limits for Filing a Submission*) and Section 5 (*Eligibility of Submissions*).
- (b) Different indicative time periods for the PPM's eligibility determination apply depending on the PPM function pursued and are outlined below under the section on the relevant function. Once the PPM has reached

its determination, it prepares an eligibility determination report, which includes the names of the Project, country and Requestors (unless a request for confidentiality has been granted by the PPM), a brief description of the nature of the submission, the reason for the PPM's determination and any actions to be taken in light of the submission. The PPM sends its eligibility report to the Requestors and Management promptly upon its preparation.

- (c) If the PPM determines that the submission meets the general eligibility criteria in Section 5.1 (*General Eligibility Criteria Applicable to All Submissions*) above, it registers the submission in the PPM registry within five (5) Working Days following the preparation of its eligibility report, and at the same time issues the report, together with the submission and its acknowledgement of receipt, to the Board of Directors and Management. Unless it has granted a request for confidentiality, the PPM also discloses the Requestors' submission and the PPM's acknowledgement of receipt and eligibility report, within ten (10) Working Days following their circulation to the Board and Management.
- (d) If the PPM determines that the submission does not meet these eligibility criteria, it so informs the Board of Directors and Management as part of its periodic reporting. It also discloses these periodic reports promptly upon their preparation.
- (e) If the PPM determines that the submission does not meet the general eligibility criteria in Section 5.1 1 (*General Eligibility Criteria Applicable to All Submissions*) above, the PPM endeavors, as appropriate, to direct the Requestors to the appropriate unit within AIIB that can handle issues raised in the submission. For example, a submission concerning fraud, corruption or other Prohibited Practices is referred to the CEIU integrity staff. If a submission concerns only a request for information within AIIB's possession and does not allege a concern or dispute or violation of the ESP, that request is handled under AIIB's Policy on Public Information and not by the PPM. The PPM follows up with the relevant unit in AIIB to facilitate a timely and informed response to the submission. However, the Requestors have sole responsibility for meeting any time limits or deadlines set by such other policy or unit in AIIB.
- (f) If a request for Compliance Review is determined to be ineligible because it has been filed before approval of the Financing, the MD-CEIU forwards the submission to Management and records the referral in the PPM registry. Management considers these submissions during Project preparation and copies MD-CEIU on any response to the Requestors.

6.4.6. **Site Visits:**

- (a) The PPM may, unless the Member in which the Project is located objects, undertake site visits to the Project area at any time after a submission has been filed, in order to better understand submission issues and possible ways to address them. Site visits may involve meeting with the Client, Requestors, relevant government representatives and other interested parties, as well as gathering and providing information. The PPM may engage local interpreters and other persons to facilitate meetings and interviews with Project-affected people. AIIB personnel and Client staff and other interested parties may also provide information to support the site visit.
- (b) It is expected that Members will allow timely PPM site visits in the spirit of AIIB's partnership with its Members. The PPM seeks AIIB Member concurrence to undertake a site visit to the Project area through the responsible AIIB operational department (following the usual approach for operational travel by AIIB personnel to the Member's territory) on a Project-by-Project basis to facilitate the proper resolution of submissions through the PPM. The PPM seeks the assistance of AIIB Management and the Board Member representing the AIIB Member concerned, as necessary, to obtain any required visas and clearances for site visits by PPM staff, Project-specific task force members and external specialists engaged for this purpose. If a Member rejects a site visit request, the PPM informs the Board of Directors and conducts its review on the basis of the available evidence.

6.5. **Project Processing Queries.**

- 6.5.1. Project Processing Queries can help Management to identify and handle potential issues early, when they may be more amenable to resolution. However, Project Processing Queries can become matters of Dispute Resolution if the issues in question turn out to be more complex than originally understood.
- 6.5.2. Project Processing Queries are handled as promptly as possible to facilitate resolution of concerns during Project preparation. Under this procedure, the PPM does not assess whether or not AIIB is in compliance with the ESP.
- 6.5.3. The procedures for consideration of Project Processing Queries are as follows:
 - (a) **Eligibility Report.** The PPM prepares its eligibility report within ten (10) Working Days following its acknowledgment of receipt of the submission.
 - (b) **Management Response.** If the PPM determines the submission is eligible, Management prepares and provides a response to the PPM, with a copy to the Client, within fifteen (15) Working Days following Management's receipt of the eligibility report from the PPM (see Section

6.4.5 above on *Screening for Eligibility, Registration*). The PPM promptly sends Management's response to the Requestors.

- (c) **Constructive Dialogue.** The PPM facilitates constructive dialogue between Management, the Client, the Requestors and any other relevant parties to identify solutions to address the concerns raised. This dialogue should be completed as soon as possible before approval of the Financing.
- (d) **Termination of the Process.** The Requestors may terminate the process at any time and submit a request for Dispute Resolution instead, subject to the submission meeting the applicable requirements of Section 4 (*Time Limits for Filing a Submission*) and Section 5 (*Eligibility of Submissions*).
- (e) **Disclosure of a Summary.** Within ten (10) Working Days following completion or termination of the Project Processing Query, the PPM prepares and discloses a summary of the actions taken under this process.

6.6. Requests for Dispute Resolution.

- 6.6.1. The Dispute Resolution process aims to resolve a dispute that has arisen over measures required of the parties to the dispute to mitigate known and quantifiable, potential or actual material adverse environmental or social impacts that arise during AIIB's due diligence of a Project or during Project implementation. The parties to the dispute typically include the Client and the Requestors but may also involve Management and/or contractors or other parties involved in Project processing or implementation.
- 6.6.2. As with Project Processing Queries, under this procedure, the PPM does not assess whether or not AIIB is in compliance with the ESP. The PPM explores with the concerned parties mutually acceptable dispute resolution methods and may hire professional dispute resolution and subject-matter specialists to facilitate the dispute resolution process. This process may include consultative dialogue, information sharing, joint-fact finding, creation of a mediation mechanism or other methods. The PPM coordinates and guides the parties during the agreed dispute resolution process.
- 6.6.3. The PPM also facilitates reaching a time-bound and monitorable dispute resolution agreement or memorandum of understanding between the parties concerned and arrangements for monitoring its implementation.
- 6.6.4. The procedures for Dispute Resolution are as follows:
 - (a) **Eligibility Report.** The PPM prepares its eligibility report within twenty (20) Working Days following its acknowledgment of receipt of the submission. It promptly sends its report to the Requestors and Management.

- (b) **Management Response.** If the PPM determines that the submission is eligible, Management prepares and provides its response to the PPM, with a copy to the Client, within fifteen (15) Working Days following Management's receipt of the eligibility report from the PPM (see Section 6.4.5 above on *Screening for Eligibility, Registration*). The PPM promptly sends Management's response to the Requestors.
- (c) **Consent for Dispute Resolution.** The PPM then seeks the consent of the parties to the dispute to undertake Dispute Resolution. It facilitates reaching an agreement about the approach and methodology, as well as the issues to be addressed and timeline for the Dispute Resolution process, and documents the agreed approach, issues and timeline. The PPM facilitates and documents the agreement within thirty (30) Working Days after receiving Management's response.
- (d) **Dispute Resolution Agreement.** The PPM aims to facilitate the formulation and signing of a Dispute Resolution agreement. This agreement contains a time-bound, monitorable implementation schedule for specific agreed actions.
- (e) **Disclosure of the Dispute Resolution Agreement.** If the parties agree to disclosure of the Dispute Resolution agreement, the PPM discloses it within ten (10) Working Days following its signature. If the parties do not agree to its disclosure, the PPM prepares and discloses a summary of the Dispute Resolution process and its outcomes within the same time period.
- (f) **Monitoring of the Dispute Resolution Agreement.** The PPM monitors and reports to the Board of Directors on the implementation of actions agreed in the Dispute Resolution agreement (including for Project scoping or other changes) in accordance with the agreed schedule, and publicly discloses these reports within ten (10) Working Days following their circulation to the Board.
- (g) **Absence of a Dispute Resolution Agreement.** The PPM encourages the parties to the dispute to reach agreement. However, if agreement is unlikely to be reached within ninety (90) Working Days following Management's response, the PPM may terminate the Dispute Resolution process.
- (h) **Termination of the Process.** Any party to the dispute may terminate the Dispute Resolution process at any stage in the process. In such a case, the Requestors may submit a request for Compliance Review, subject to the submission meeting the applicable requirements of Section 4 (*Time Limits for Filing a Submission*) and Section 5 (*Eligibility of Submissions*).
- (i) **Summary of the Process in Absence of a Dispute Resolution Agreement.** If no Dispute Resolution agreement is reached, the PPM

prepares a summary of the Dispute Resolution process and its outcomes, circulates it to the Board within 10 Working Days of the termination of the process and publicly discloses it within ten (10) Working Days following circulation of the summary to the Board.

6.7. Requests for Compliance Review.

6.7.1. As noted in Section 4.3 above, requests for Compliance Review, are designed: to investigate allegations by Project-affected people that AIIB has failed to comply with its obligations under the ESP in its environmental and social due diligence of a Project during Project preparation or its oversight of the Project during implementation, thereby causing or being likely to cause material adverse environmental or social impacts on the Project-affected people; and if the allegations are substantiated, to review any action plan proposed by Management to address these impacts. Consequently, unlike Project Processing Queries or Dispute Resolution, under the Compliance Review process the PPM assess whether or not AIIB is in compliance with the ESP.

6.7.2. Under this procedure, the PPM assesses whether:

- (a) The facts alleged are substantiated.
- (b) A direct causal link exists between the adverse impact and alleged AIIB noncompliance with the ESP.
- (c) The alleged adverse impact is material.
- (d) Management has adequately explained its actions pursuant to the ESP.
- (e) The actions proposed by Management to resolve the issues raised in the submission are appropriate.

6.7.3. The procedures for Compliance Review are as follows:

- (a) **Eligibility Report.** The PPM prepares its eligibility report regarding the eligibility criteria under Section 5.1 (*General Eligibility Criteria Applicable to All Submissions*) within twenty (20) Working Days following its acknowledgement of receipt of the submission. This timeframe may be extended if the PPM concludes that this eligibility assessment cannot occur without a site visit.
- (b) **Management's Response to the Submission.** If the PPM determines that the submission meets these general eligibility criteria, Management prepares its response to the submission, including: (i) Management's views, if any, as to whether the submission meets the submission's eligibility criteria set out in Section 5.2 (*Additional Eligibility Criteria for Compliance Reviews*); and (ii) any actions proposed by Management to address the issues raised in the submission. Management provides the PPM with its response within thirty (30) Working Days following receipt

of the eligibility report from the PPM (see Section 6.4.5 above on *Screening for Eligibility; Registration*). If requested by Management, this timeframe may be extended by the PPM if the PPM considers that the complexity of the submission so requires. This response may also detail the actions Management has taken in accordance with the ESP, its engagement with the Project-affected people, and its proposed actions to address issues raised in the submission.

- (c) **Recommendation to the Board.** Within thirty (30) Working Days following its receipt of Management's response, the PPM determines whether the submission meets the additional eligibility requirements applicable to Compliance Reviews set out in Section 5.2 (*Additional Eligibility Criteria for Compliance Reviews*) and decides whether to recommend that the Board approve the commencement of the Compliance Review. This decision is based on information in the submission, Management's response and additional information obtained during site visits, from the Board Director representing the Member concerned and any local authorities or agencies involved in the Project. The PPM may decide that another course of action in lieu of a Compliance Review is appropriate. In such a case, it also decides whether approval by the Board of Directors of such course of action is required. The PPM does not make any definitive findings on issues of compliance or the adverse impact suffered by the Project-affected People at this stage. Any definitive findings are made in the final Compliance Review Report.
- (d) **Board Consideration.** If the PPM decides to recommend approval of the commencement of the Compliance Review or other appropriate course of action, it promptly submits its recommendation to the Board for approval. If the PPM decides not to recommend a Compliance Review or other course of action to the Board for approval, or if it decides on another course of action but decides that Board approval is not required, it promptly submits to the Board of Directors and to Management for information a report explaining its decision.
- (e) **Notification to Requestors and the Client.** The PPM informs the Requestors of the decision of the Board of Directors within five (5) Working Days following the Board's consideration. Management informs the Client of the decision of the Board of Directors within the same period. If the PPM decides not to recommend a Compliance Review or other course of action for Board approval or decides on another course of action but decides that Board approval is not required, it informs the Requestors promptly upon its submission to the Board of its information report explaining its decision, and Management informs the Client accordingly.
- (f) **Disclosure of the Board Decision; Report to the Board.** If the PPM decides to recommend approval of the commencement of the Compliance Review or other appropriate course of action, it discloses

the decision of the Board of Directors within ten (10) Working Days following the decision. If the PPM decides not to recommend a Compliance Review or other course of action for Board approval or decides on another course of action but decides that Board approval is not required, it discloses its report to the Board explaining its decision within ten (10) Working Days following submission of the report to the Board.

- (g) **Terms of Reference (TOR).** If the Board approves a recommendation to commence the Compliance Review, the PPM prepares draft TOR for the Compliance Review within fifteen (15) Working Days following the Board's decision and seeks comments on the draft TOR from the Policy and Strategy Committee of the Board of Directors. The PPM considers the comments received and promptly submits the final TOR to the Board of Directors for information. The TOR outline the scope and methodology for the Compliance Review, its timeframe, budget, language arrangements, skills and expertise needed for the Project-specific task force. The PPM discloses the final TOR within ten (10) days following submission of the final TOR to the Board.
- (h) **Project-specific Task Force.** Thereafter, the PPM promptly engages the necessary specialists and forms a Project-specific task force to conduct the Compliance Review. The MD-CEIU chairs this task force.
- (i) **Compliance Review.** The PPM initiates the Compliance Review within thirty (30) Working Days following Board approval. The Requestors, the Client, any local authorities and agencies involved in the Project, the Board Director representing the Member concerned, Management and other AIIB staff are provided an equal opportunity to be heard during the Compliance Review. After the PPM's fact-finding, each of these parties is given an opportunity to discuss or counter any fact or allegation that may adversely affect them.
- (j) **Arbitral or Judicial Proceedings.** If at any point during the Compliance Review, the PPM learns of arbitral or judicial proceedings involving substantive issues raised in the submission, the PPM assesses the implications of such parallel processes and submits a recommendation to the Board of Directors on whether to continue with the Compliance Review. As an interim measure, the PPM may suspend the Compliance Review until the Board of Directors decides on the matter.
- (k) **PPM Draft Compliance Review Report.** Upon completion of the Compliance Review, the PPM prepares, with the assistance of the Project-specific task force, a draft Compliance Review report. The draft Compliance Review report includes findings on the matters noted above in Section 6.7.2, as relevant.
- (l) **Assessment of Impact can be a Complex Matter.** The Project-specific task force takes the without-project scenario as the base case for

comparison, taking into account any available baseline information. Nonaccomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project scenario are not considered as a material adverse impact for this purpose. As the assessment of material adverse impact in the context of the complex reality of a specific Project can be difficult, careful judgment on these matters by the Project-specific Task Force, and guidance from the ESP, are required. Issues of causation also require careful attention and exercise of judgment to determine if the impact in question is partially or wholly caused by noncompliance.

- (m) **Circulation of the PPM Draft Compliance Review Report.** The PPM prepares and circulates the draft Compliance Review report within sixty (60) Working Days following commencement the Compliance Review. This time frame may be extended if the PPM concludes that the complexity of the submission so requires. The PPM circulates the draft report to the Requestors for comment and to Management for a response. Management promptly circulates the draft Compliance Report to the Client for comment.
- (n) **Review of the Draft Compliance Review Report if no Noncompliance was Found.** If the Compliance Review report concludes with no findings of noncompliance, the Client has fifteen (15) Working Days following its receipt of the draft Compliance Review report to provide its comments on the draft report to Management. Management finalizes and provides its response to the PPM within thirty (30) Working Days following Management's receipt of the draft Compliance Review report. The Requestors have thirty (30) Working Days following their receipt of the draft Compliance Review report to provide the PPM any comments on the draft report.
- (o) **Review of Draft Compliance Review Report if Noncompliance was Found.** If the PPM determines that there has been noncompliance with the ESP, the Client and the Requestors have forty-five (45) Working Days following circulation of the draft Compliance Review report to provide any comments on the draft report. The Client provides its comments to Management, and the Requestors provide their comments to the PPM. If the Requestors agree, the PPM shares their comments with Management in order to help inform Management's finalization of its response (including its Management Action Plan) (see below).
- (p) **Management Action Plan (MAP).** If the PPM determines that there has been noncompliance with the ESP, Management updates its response, and also prepares and circulates to the Client and Requestors, as well as the PPM for comment, a proposed MAP within ninety (90) Working Days following Management's receipt of the draft Compliance Review report. If requested by Management, the PPM may extend this timeframe if it considers that the complexity of the submission so requires. The MAP includes actions to address findings of

noncompliance set out in the PPM's draft Compliance Review report. Management seeks the Client's agreement on the elements of the MAP that are within the Client's responsibility and also consults with the PPM in preparing its MAP. Management also seeks (but is not required to reach) agreement with the Requestors on the MAP. Once Management has prepared and circulated the proposed MAP, it provides the Requestors and PPM at least fifteen (15) Working Days following their receipt of the MAP to provide their comments to Management. Within thirty (30) Working Days following the deadline for the Requestors and the PPM to provide comments, Management updates its MAP taking into account any comments received and agreement reached, and sends its updated Management response, including the updated MAP, to the PPM.

- (q) **Final Compliance Review Report.** The PPM, with the assistance of the Project-specific task force, finalizes the Compliance Review report, taking into account Management's response (and MAP, if one is required pursuant to *Section 6.7.3 (p)* above) within fifteen (15) Working Days after its receipt of Management's response (and draft MAP, if one is required) and sends it back to Management. The final Compliance Review report includes a summary of how the report has responded to comments and responses received.
- (r) **Final MAP.** Management finalizes the MAP (if one is required pursuant to *Section 6.7.3 (p)* above) to address the findings of noncompliance in the final Compliance Review report. The MAP includes a summary of how Management has taken into account the Compliance Review report and addressed any comments from the Client, the Requestors and the PPM. Management sends its final MAP to the PPM within fifteen (15) Working Days following Management's receipt of the final Compliance Review report.
- (s) **Board Consideration.** The PPM promptly submits to the Board of Directors its final Compliance Review report. Management's response and the final MAP (if one is required pursuant to *Section 6.7.3 (p)* above) are attached to the final Compliance Review report. The MAP is subject to the approval of the Board of Directors.
- (t) **Disclosure.** If the PPM makes no findings of noncompliance, the Final Compliance Review report, together with Management's response, are circulated by the PPM to the Requestors and to the Board for information, and by Management to the Client; these are publicly disclosed by the PPM within ten (10) Working Days following their circulation to the Board. If the PPM makes findings of noncompliance, the final Compliance Review Report, together with Management's response and the Board-approved MAP, are circulated by the PPM to the Requestors and by Management to the Client and are disclosed by the PPM within ten (10) Working Days following the Board's decision.

- (u) **MAP Monitoring.** Management monitors the implementation of the MAP and submits monitoring reports to the Board of Directors in accordance with timelines specified in the MAP. The PPM reviews Management's monitoring reports and prepares a status report on MAP implementation, at least annually. The PPM's review involves seeking views from Management, the Client and Requestors and considering any information received from the public or other sources. The PPM forwards its draft periodic MAP status reports to the Board of Directors and considers any comments received before finalizing the report. The PPM discloses each report within ten (10) Working Days after its circulation to the Board.

7. Effect of a Submission on the Project

- 7.1.** The fact that a submission has been found eligible does not affect ongoing Project preparation or implementation. The review by the PPM of an eligible submission does not prevent Management from addressing the issues raised in that submission directly with the Requestors or the Client. During its review, the PPM may consider actions taken by Management to address issues raised in the submission.
- 7.2.** The PPM informs Management in writing if, during its review of the submission, it identifies that the information about the Project-level GRM or the PPM has not been adequately disclosed or that the Project-level GRM functioning has not been established or that it is ineffective. The MD-CEIU informs the President if action by Management to address these matters has not been taken within sixty (60) Working Days following the PPM's notice to Management, to enable the President to work with Management in taking such action. If such action is not taken within thirty (30) Working Days following the PPM's notice to the President, the MD-CEIU informs the Board of Directors of the situation on a confidential basis.
- 7.3.** If, during its review of the submission, the PPM concludes that continued Project preparation or implementation may potentially result in irreversible material adverse impacts that have not been adequately addressed in accordance with the ESP, the PPM informs Management in writing of such possible impacts, together with the reasons for reaching this view. The PPM may also request Management to consider the matter and take appropriate measures to address the situation. In such case, the MD-CEIU informs the President if appropriate action by Management to address these matters has not been taken within sixty (60) Working Days following the PPM's notice to Management, to enable the President to work with Management in taking such action. If the appropriate action is not taken within thirty (30) Working Days following the PPM's notice to the President, the MD-CEIU informs the Board of Directors of the situation on a confidential basis.

8. Disclosure

8.1. Disclosure of information by the PPM is carried out in accordance with AIIB's Policy on Public Information. Accordingly, unless a request for confidentiality has been granted by the PPM, and subject to any redaction, the following documents relating to submissions are disclosed and updated on the PPM website, in accordance with the timelines referred to above in Section 6 (*Processing Submissions*).

8.1.1. All eligible submissions;

8.1.2. PPM's acknowledgement of receipt of eligible submissions; and

8.1.3. PPM's eligibility report for all submissions.

8.2. The following additional information is disclosed on the PPM website in accordance with the timelines referred to above in Section 6 (*Processing Submissions*):

8.2.1. **In the case of a Project Processing Query:** a summary of actions taken at the Project level.

8.2.2. **In the case of a Dispute Resolution:** The Dispute Resolution agreement (if the parties agree to disclose the agreement) and PPM's periodic Dispute Resolution agreement monitoring reports; or a summary of the Dispute Resolution process, if no Dispute Resolution agreement has been reached or if the parties do not agree to disclose it.

8.2.3. **In the case of a Compliance Review:**

(a) The Decision of the Board of Directors on the PPM's recommendation to approve the Compliance Review or other course of action, or the PPM report explaining its decision not to recommend a Compliance Review or another course of action for Board approval or its decision to pursue another course of action which it determines does not require Board approval;

(b) The Terms of Reference (TOR) prepared by the PPM for the Compliance Review;

(c) The Final Compliance Review report;

(d) Management's response to the Compliance Review report;

(e) any MAP approved by the Board of Directors; and

(f) Any periodic MAP status reports.

9. Confidentiality; Retaliation

9.1. Confidentiality.

- 9.1.1. Requestors may request confidentiality for a variety of reasons. The request for confidentiality and the reasons for the request are provided with the submission (see Section 6.4.3 above on *Request for Confidentiality; Retaliation Assessment*). Confidentiality of identity and other information can help to mitigate risks of retaliatory actions to the Requestors, their families and in-country Authorized Representatives (see Section 9.2 below on *Retaliation*). Confidentiality of proprietary information can also protect the legitimate commercial interests of Clients. Therefore, any of the parties to a submission may request the PPM to keep their identities and other information confidential, including information provided or obtained during submission review. The PPM verifies this information but will not disclose it to other parties, including Management, the Board or Client.
- 9.1.2. The PPM considers the request for confidentiality and makes all reasonable efforts to grant the confidentiality requested. If, however, confidentiality becomes an impediment to eligibility assessment or effective resolution of issues raised, the PPM advises the Requestors of these concerns and seeks to agree with the Requestors on how to proceed. Failing such agreement, the PPM may terminate the review of the submission.
- 9.1.3. The PPM advises all PPM personnel, and Management advises all other AIIB personnel, of their obligations to ensure the requested confidentiality when handling any submissions received. The following measures apply to the sharing of submission-related information:
- (a) **Sharing Among PPM Personnel.** The PPM provides detailed information to PPM personnel on maintenance of confidentiality during the performance of their roles and responsibilities. The PPM ensures that requested confidentiality of the Requestors' identity and other information is protected when copying or forwarding submission-related material within AIIB.
 - (b) **Sharing Among Other AIIB Personnel.** Management advises all non-PPM AIIB personnel of their obligation to protect the Requestors' requested confidentiality when handling submissions.
 - (c) **Sharing with Other Financiers.** The PPM makes arrangements with the IAMS of Project co-financiers to address confidentiality when sharing submission-related information. If a request for confidentiality is granted by the PPM, authorization from the party concerned is required before this information is shared with IAMS of the co-financiers.
- 9.1.4. **Public Disclosure.** If a request for confidentiality under a submission is granted, the PPM discloses information regarding the submission only after it has made the redactions needed to maintain the requested confidentiality.

9.2. Retaliation.

- 9.2.1. The PPM recognizes that instances of Retaliation are a serious issue. Threats and acts of Retaliation against people who may interact with the PPM may place those people, their families, any in-country Authorized Representative or others, as well as the effectiveness of the PPM, at risk. These threats and acts of Retaliation can come from Project proponents, agencies, Clients, contractors, employees, and rival interest groups, including other Project-affected people, among others. They can occur at all stages of the Project cycle, for example, during preparation and delivery of a submission to the Project-level GRM or PPM or during PPM site visits and other meetings. In the latter case, threats and acts of Retaliation may also affect interviewees and PPM personnel facilitating communications and meetings with Project-affected people.
- 9.2.2. Neither AIIB nor the PPM is an enforcement mechanism. Consequently, the PPM is unable to physically protect or safeguard people from possible consequences of engaging in a PPM process or cooperating with PPM personnel. The PPM advises Requestors and any in-country Authorized Representative about its inability to assist with physical protection measures. The PPM also communicates this inability through its outreach, the PPM website and publicity.
- 9.2.3. Nevertheless, the PPM explores with the Requestors and any in-country Authorized Representative if confidentiality of the identity of the Requestors or the in-country Authorized Representative and other relevant persons and/or any other information would mitigate the risks of Retaliation.
- 9.2.4. The PPM also assesses the risk of Retaliation against the Requestors, any in-country Authorized Representative and, if determined by the PPM, other relevant persons in connection with a submission. The PPM makes a due diligence desk review of the risk environment and potential or actual risk of Retaliation against any persons filing a submission to the PPM. This review forms a routine part of submission assessment. The PPM collates and endeavors to corroborate information from public sources, AIIB staff, international legal, financial, donor and governance institutions, nongovernmental organizations (NGOs), civil society organizations (CSOs), private sector organizations, researchers, reporters and the Requestors.
- 9.2.5. The review becomes a restricted access report that is stored and protected within the PPM management information system. The first review report is updated as appropriate, and especially if the likelihood of retaliatory risks increases, until the PPM process is concluded, or the Requestors and any in-country Authorized Representative indicate that confidentiality is no longer required.
- 9.2.6. If the review identifies a risk of Retaliation, the PPM notifies Management and discusses actions that Management may take to mitigate the risks to the Requestors, their families and in-country Authorized Representative.

Attachment 4 provides more information on PPM handling of Retaliation risks.

10. Co-financing

- 10.1.** When co-financing a Project with other multilateral development banks or bilateral development organizations, the ESP allows AIIB to apply the environmental and social policies and procedures of another co-financier if AIIB is satisfied that they are materially consistent with the AIIB ESP (including the Environmental and Social Standards) and that appropriate monitoring procedures are in place.
- 10.2.** If AIIB has agreed with the co-financier to apply the co-financier's environmental and social policies and procedures and to rely on the IAM of the co-financier whose policies apply to the Project, to handle submissions from Project-affected people under the Project, the submission is ineligible for consideration by the PPM under Section 5.1.6: *General Eligibility Criteria Applicable to All Submissions*.
- 10.3.** In such a case, the co-financier's IAM determines whether compliance with the co-financier's environmental and social policies and procedures has been achieved under the Project and handles all submissions under the Project in accordance with its policies and procedures. This is reflected in the PSI for the Project. The PPM coordinates closely with the co-financier's IAM on the handling of submissions. This may involve undertaking joint site visits (with the agreement of the co-financier and Client concerned) to better understand the issues presented in the submission. The PPM reports the outcome of the review of these submissions by the co-financier's IAM to the Board of Directors.
- 10.4.** In cases where AIIB has not agreed to rely on the co-financier's IAM, the PPM coordinates closely with the co-financier's IAM in the handling of any submissions relating to the Project and jointly plans site visits with the co-financier's IAM.

11. General Provisions

- 11.1. Access to AIIB Personnel and Information.** The MD-CEIU has full access to AIIB personnel and files relevant to submissions handled by the PPM, including electronic files, cabinets and other information storage facilities, relevant to submissions received and processed by the PPM. AIIB personnel fully cooperate with the MD-CEIU in enabling this access.
- 11.2. Periodic Reporting to the Board.** The PPM submits annual reports to the Board on the status of submissions, including on the implementation of any MAPs. Its report may reference information with due regard to requested confidentiality of individuals and information. The PPM indicates when publication of information has been restricted to protect confidentiality.

11.3. Legal Advice. The General Counsel, as the legal advisor to AIIB, advises MD-CEIU, as needed, on matters related to the PPM. In providing legal advice to the PPM, the General Counsel ensures that there is no conflict of interest or, should a conflict of interest arise, adequately manages the conflict so that the PPM can properly discharge its obligations on the basis of independent legal advice. Where the General Counsel determines that, in order to inform his/her advice, the assistance of external counsel is required, the General Counsel appoints the counsel following AIIB's standard procedures for hiring external counsel. If MD-CEIU considers the proposed choice of external counsel to be inimical to the functioning of the PPM, the General Counsel discusses alternative choices of external counsel with MD-CEIU with an aim to reach a mutually agreeable solution.

11.4. Outreach, Training and Learning. In addition to the PPM's function of handling submissions, it performs outreach, learning and training functions. The outreach function raises awareness of the opportunities it provides with Clients and other stakeholders that may be interested in, or affected by, AIIB-financed Projects. The training function raises awareness about the PPM with AIIB personnel. Under the learning function, the PPM collaborates with the other IAMs and MDBs and systematically captures and shares lessons learned to enhance effective implementation of the ESP. Attachment 5 below provides details on such outreach, learning and training functions.

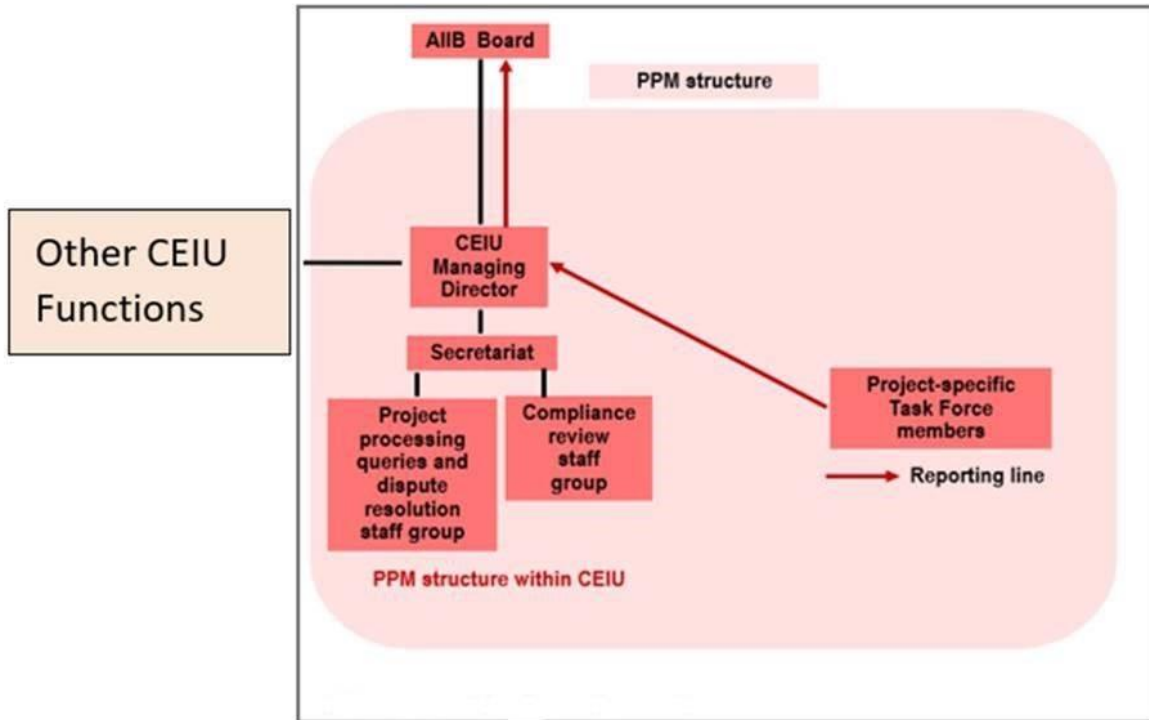
11.5. Future Review. A review of the PPM Policy will occur not later than five (5) years after its adoption. The aim is to ensure the PPM remains fit for purpose. The MD-CEIU will initiate and guide the review. The review will take into account the views gathered through public consultations, including with Project-affected communities, AIIB's Members, Clients and other stakeholders.

Attachment 1

Overview of the PPM

1. The PPM is administered by AIIB's Complaints-resolution, Evaluation and Integrity Unit (CEIU). **Figure 2** illustrates the structure of the PPM.
2. The PPM is headed by the Managing Director, CEIU (MD-CEIU).
3. The MD-CEIU represents the PPM in all matters before the Board of Directors and oversees the handling of submissions to the PPM, the issuance of PPM reports, and PPM's outreach, learning and training activities.
4. The PPM is assisted by a Secretariat, headed by a member of the CEIU staff (Head-PPM Secretariat).
5. The MD-CEIU supervises and provides guidance and direction to the Head-PPM Secretariat and PPM personnel.
6. The PPM staff assigned to undertake Compliance Reviews support a Project-specific Task Force of one or more members.
7. In the initial period of PPM operation, when the case load is unknown and anticipated to be relatively low, professional staff of CEIU may undertake some PPM-related work under strict firewalls to avoid real or perceived conflict of interest. CEIU staff members who have taken part in a Project early learning assessment or evaluation under CEIU's evaluation function cannot subsequently work on a submission relating to that Project.
8. The MD-CEIU appoints a Project-specific Task Force for each eligible Compliance Review, which may comprise one or more external specialists or PPM staff. MD-CEIU chairs all Project-specific Task Forces. Taking into account other responsibilities of the MD-CEIU, s/he may assign a member of the Project-specific Task Force to co-lead the task force. Project-specific Task Force members are selected with regard to the nature of the submission and the expertise required.
9. To avoid actual or perceived conflicts of interest, PPM personnel who work on submissions for Compliance Review cannot work on Project Processing Queries or requests for Dispute Resolution.

Figure 2: Structure of the PPM



Attachment 2

Sample Submission Form

Date: Day ____ (numeral), Month _____, Year _____.

To: Managing Director, CEIU

Postal address: Managing Director, Complaints-resolution, Evaluation & Integrity Unit
B-9 Financial St., Xicheng District, Beijing, China 100033

Email address: ppm@aiib.org

Fax number: +86-10-8358-0003

We, *(insert names)* _____

Requestors are filing a submission about the AIIB-financed Project named or known to us as

The Project is located in _____ Country _____.

We live in the area known as _____.

*(If possible, please show on an attached map. A map is attached: **If Yes, tick ✓ here** ().*

We can be contacted by letter (), e-mail (), telephone (), fax ().

Full postal address: _____

Country: _____ Postcode: _____.

Telephone number: _____ Area code _____ Fax: _____.

Email address: _____.

We prefer to receive a submission acknowledgement by letter (); by e-mail (); by fax ().

We **do not want** our name(s) and information to be disclosed (). This is because:

We authorize _____ (name) to file this submission on our behalf,

(signature or other form of identification):

Our letter is a Project processing query (); request for dispute resolution ();
compliance review (); or we are not sure which of these options to choose ().

We have been or are likely to be harmed by social or environmental impacts of the Project in the way(s) described below. And *(if known)* we think AIIB violated its Environmental and Social Policy in the following way(s):

For a submission filed by an Authorized Representative: *(Ignore if not relevant).*

I _____ (name of person),
if relevant, from _____ *(name of organization)*

have been authorized pursuant to the authorization annexed to this letter, to file this submission on behalf of the person(s) named:

I can be contacted by letter (); by e-mail (); by fax (); by telephone (). **If Yes, tick ✓**

Full postal address: _____,

Country: _____ Postcode: _____.

Telephone number: _____ Area code _____ Fax: _____.

Email address(es): _____.

I prefer to receive a submission acknowledgement by letter (); e-mail (); or fax ().

I **do not want** my name, organization name or information to be disclosed ().

(Ignore if not relevant).

Attachment 3

Indicative Timeframes for Submission Processing

Step Number	Steps for Submissions ⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
1.1	Requestors may file a submission			
1.2	PPM acknowledges receipt of the submission	Following PPM's receipt of the submission	5	6.4.2(b)
1.3	Requestors may seek confidentiality	Following PPM's acknowledgment of receipt of the submission	10	6.4.3(a)
1.4	PPM may seek additional information	Following PPM's acknowledgment of receipt of the submission	10	6.4.4(a)
Project Processing Query (PPQ):				
2.1	PPM screens the submission for eligibility and prepares its eligibility report	Following PPM's acknowledgment of receipt of the submission	10	6.4.5(a), (b); 6.5.3(a)
2.2	PPM sends its eligibility report to Requestors	Following PPM's preparation of the eligibility report	Promptly	6.4.5(b)
2.3	If PPM determines the submission is eligible, PPM registers it, and sends its eligibility report, together with the submission and its acknowledgment of receipt of the submission to the Board and Management	Following PPM's preparation of the eligibility report	5	6.4.5(c)
2.4	PPM discloses the eligible submission, its acknowledgment of receipt of the submission and its eligibility report	Following PPM's circulation of the submission, its acknowledgment and its eligibility report to the Board and Management	10	6.4.5(c)

⁴ The summaries in the column should be read in conjunction with the fuller provisions in the main text covering each of the processing steps for Project Processing Queries, Dispute Resolution and Compliance Review.

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
2.5	Management prepares and provides its response to the submission to PPM and Client	Following receipt of PPM's eligibility report	15	6.5.3(b)
2.6	PPM sends Management's response to Requestors	Following receipt of Management's response	Promptly	6.5.3(b)
2.7	PPM facilitates constructive dialogue between Management, Client, Requestors and other relevant parties	Following receipt of Management's response	Dialogue to be completed before Financing is approved	6.5.3(c)
2.8	PPM prepares and discloses a summary of actions taken	Following completion or termination of the PPQ process	10	6.5.3(e)
Dispute Resolution (DR):				
3.1	PPM screens the submission for eligibility and prepares its eligibility report	Following PPM's acknowledgment of receipt of the submission	20	6.4.5(a), (b); 6.6.4(a)
3.2	PPM sends its eligibility report to Requestors	Following PPM's preparation of its eligibility report	Promptly	6.4.5(b)
3.3	If PPM determines the submission is eligible, PPM registers it, and sends its eligibility report, together with the submission and its acknowledgment of receipt of the submission to the Board and Management	Following PPM's preparation of its eligibility report	5	6.4.5(c)
3.4	PPM discloses the eligible submission, its acknowledgment of receipt of the submission and its eligibility report	Following PPM's circulation of the submission, its acknowledgment and its eligibility report to the Board and Management	10	6.4.5(c)
3.5	Management prepares and provides its response to the	Following receipt of PPM's eligibility report	15	6.6.4(b)

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
	eligible submission to PPM and Client			
3.6	PPM sends Management's response to Requestors	Following receipt of Management's response	Promptly	6.6.4(b)
3.7	PPM facilitates and documents agreement of the parties on DR approach, methodology, issues and timeline	Following receipt of Management's response	30	6.6.4(c)
3.8	PPM facilitates formulation and signature of DR agreement by the parties	Following documented agreement on DR approach, methodology, issues and timeline	As per agreement on DR approach, methodology, issues and timeline	6.6.4(d)
3.9	If the parties agree to disclose the DR agreement, PPM discloses it. If the parties do not agree to disclose the DR agreement, PPM prepares and discloses a summary of the DR process and outcome	Following signing of the DR agreement	10	6.6.4(e)
3.10	PPM monitors and reports to the Board on implementation of the DR Agreement	Following signing of the DR agreement	As per schedule agreed in DR agreement	6.6.4(f)
3.11	PPM discloses its monitoring reports on implementation of the DR agreement	Following circulation of the monitoring report to the Board	10	6.6.4(f)
3.12	PPM may terminate the DR process if a DR agreement is unlikely	Following Management's response	90	6.6.4(g)
3.13	If no DR agreement is reached, PPM prepares and circulates a summary of the	Following termination of the DR process	10	6.6.4(i)

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
	DR process and outcome to the Board			
3.14	If no DR agreement is reached, PPM discloses its summary of the DR process and outcome	Following circulation of PPM's summary to the Board	10	6.6.4(i)
Compliance Review (CR)				
4.1	PPM screens the submission for general eligibility and prepares its eligibility report	Following PPM's acknowledgment of receipt of the submission	20	6.4.5(a), (b); 6.7.3(a)
4.2	PPM sends its eligibility report to Requestors and Management	Following PPM's preparation of its eligibility report	Promptly	6.4.5(b)
4.3	If PPM determines the submission is eligible, PPM registers it, and sends its eligibility report, together with the submission and its acknowledgment of receipt of the submission to the Board and Management	Following PPM's preparation of its eligibility report	5	6.4.5(c)
4.4	PPM discloses the eligible submission, its acknowledgment of receipt of the submission and its eligibility report	Following PPM's circulation of the submission, its acknowledgment and its eligibility report to the Board and Management	10	6.4.5(c)
4.5	Management prepares and sends its response to PPM	Following receipt of PPM's eligibility report	30	6.7.3(b)
4.6	PPM determines if the submission meets the additional CR eligibility criteria and if so, whether to recommend a CR or whether another course of action is appropriate and whether the other course of	Following receipt of Management's response	30	6.7.3(c)

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
	action requires Board approval			
4.7	If PPM recommends Board approval of CR or of another course of action, it submits its recommendation to the Board; otherwise, PPM submits an information report to the Board and Management	Following PPM's determination	Promptly	6.7.3(d)
4.8	If PPM makes a recommendation to the Board, it informs Requestors of the Board's decision; Management notifies Client of the Board's decision	Following the Board's decision	5	6.7.3(e)
4.9	If PPM makes no recommendation to the Board, it so informs Requestors; Management so informs Client	Following PPM's submission of its information report to the Board	Promptly	6.7.3(e)
4.10	If PPM makes a recommendation to the Board, PPM discloses the Board's decision. If PPM decides not to recommend a CR or another course of action, or decides to pursue a course of action not requiring Board approval, PPM discloses its report to the Board explaining its decision.	Following the Board's decision or submission of the report to the Board.	10	6.7.3(f)
4.11	If the Board approves a CR, PPM prepares draft TOR for the CR and seeks comments from the Policy and Strategy Committee of the Board	Following the Board's decision	15	6.7.3(g)

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
4.12	PPM submits the final TOR to the Board for information	Following finalization of the TOR	Promptly	6.7.3(g)
4.13	PPM discloses the final TOR	Following submission of the final TOR to the Board	10	6.7.3(g)
4.14	PPM forms a Project-specific Task Force for the CR	Following the Board's approval of the CR	Promptly	6.7.3(h)
4.15	PPM initiates the CR	Following the Board's approval of the CR	30	6.7.3(i)
4.16	PPM prepares and circulates its draft CR report to Requestors for comment and to Management for a response	Following PPM's commencement of the CR	60	6.7.3(m)
4.17	Management circulates the draft CR report to Client for comment	Following receipt of PPM's draft CR report	Promptly	6.7.3(m)
4.18	If the CR report concludes with no findings of noncompliance, Client may provide its comments on the draft CR report to Management	Following receipt of PPM's draft CR report	15	6.7.3(n)
4.19	If the CR report concludes with no findings of noncompliance, Management finalizes and provides its response to PPM	Following receipt of the PPM's draft CR report	30	6.7.3(n)
4.20	If the CR report concludes with no findings of noncompliance, Requestors may provide their comments on the draft CR report to PPM	Following receipt of PPM's draft CR report	30	6.7.3(n)
4.21	If PPM determines there was noncompliance, Requestors may provide	Following receipt of PPM's draft CR report	45	6.7.3(o)

Step Number	Steps for Submissions ⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
	their comments on the draft CR report to PPM, and Client may provide its comments on the draft CR report to Management			
4.22	If PPM determines there was noncompliance, Management updates its response and prepares and circulates a draft MAP to PPM, Client and Requestors for comment	Following receipt of PPM's draft CR report	90	6.7.3(p)
4.23	If PPM determines there was noncompliance, Requestors and PPM may provide their comments on draft MAP to Management	Following circulation of the draft MAP to Requestors and PPM	15	6.7.3(p)
4.24	If PPM determines there was noncompliance, Management updates and sends its response and the MAP to PPM	Following deadline for receipt of comments from Requestors and PPM	30	6.7.3(p)
4.25	PPM finalizes the CR report, taking into account Management's response (and MAP, if applicable) and sends it to Management	Following receipt of Management's response (and draft MAP if applicable)	15	6.7.3(q)
4.26	If PPM determines there was noncompliance, Management finalizes the MAP to address findings in PPM's final CR report, and sends it to PPM	Following receipt of PPM's final CR report	15	6.7.3(r)
4.27	PPM submits the final CR report, Management's response and final MAP (if applicable) to the Board (the MAP is subject to Board approval)	Following receipt of Management's response (and MAP, if applicable)	Promptly	6.7.3(s)

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
4.28	If PPM makes no findings of noncompliance, it circulates the final CR report and Management's response to Requestors and to the Board for information; and Management circulates the same to Client.	Following finalization of PPM's CR report	Promptly	6.7.3(t)
4.29	If PPM concludes with no findings of noncompliance, it discloses the final CR report and Management's response	Following circulation of final CR to the Board	10	6.7.3(t)
4.30	If PPM determines there was noncompliance, it circulates the final CR report, together with Management's response and the Board-approved MAP to Requestors; and Management circulates the same to Client	Following the Board's approval of the MAP	10	6.7.3(t)
4.31	If PPM determines there was noncompliance, it discloses the final CR report, together with Management's response and the Board-approved MAP	Following the Board's approval of the MAP	10	6.7.3(t)
4.32	If PPM determines there was noncompliance, Management monitors and reports to the Board on the MAP	Once implementation period of the MAP begins	As per the MAP timelines	6.7.3(u)
4.33	If PPM determines there was noncompliance, it reviews Management's MAP monitoring reports and prepares and sends a periodic MAP status report to the Board	Following receipt of Management's MAP monitoring report	At least annually	6.7.3(u)

Step Number	Steps for Submissions⁴	Trigger for Step	Working Days from Trigger	Rules of Procedure Section
4.34	PPM finalizes and discloses its MAP status report	Following circulation of the MAP status report to the Board	10	6.7.3 (u)

Attachment 4

Implementing Retaliation Risk Mitigation Measures

AIIB incorporates mitigation measures for retaliation risk into its Project-financing cycle through five main steps:

- 1. Risk Identification:** The PPM makes a due diligence desk review of the risk environment and potential or actual risk of Retaliation against the Requestors, in-country Authorized Representative and other persons determined by the PPM to be relevant. This review forms a routine part of submission eligibility assessment. The PPM collates and endeavors to corroborate information from public sources, AIIB staff, international legal, financial, donor and governance institutions, NGOs and CSOs, private sector organizations, researchers, reporters and the Requestors. The review is documented as a restricted access report that is stored and protected within the PPM management information system. The first review report is updated as appropriate and especially if the likelihood of retaliatory risks increases, until the submission has been concluded or the Requestors and any in-country Authorized Representative indicates that confidentiality is no longer required. If the review report identifies that Retaliation may occur, MD-CEIU notifies Management and discusses any actions that Management may take to avoid increasing the risk to the safety of the Requestors, in-country Authorized Representative and other relevant persons. The PPM may also decide to forgo a site visit if this provides these persons with greater protection against Retaliation or avoids security risks to AIIB staff and consultants involved in the site visit.
- 2. Implementing Retaliation Mitigation Measures:** Following completion of the due diligence desk review, the PPM works with Management to identify Retaliation mitigation measures, if any. Other parties with specific expertise may also be involved in this process, but PPM retains the prerogative to implement the measures it considers necessary and feasible. These measures are specific precautionary actions and contact processes.
- 3.** Such measures may include safer locations, methods, timing and transport for site visits, meetings and other communication; and selection and use of trusted intermediaries, interpreters, information providers, consultants and facilitators, including during Dispute Resolution. Persons approaching the PPM may also request confidentiality of their identities or information in accordance with these Rules of Procedure. Free, prior and informed consent will be required before information, digital recordings or images of Requestors can be made public by the PPM.
- 4. Monitoring Risk of Retaliation:** The PPM has primary responsibility for monitoring, reviewing and updating Retaliation risk status and measures, in consultation with MD-CEIU and Management. Information, identities and findings may be shared on a confidential basis with co-financiers to enhance the response against Retaliation, provided the Requestors and any in-country Authorized Representative has given specific consent. Retaliation risk monitoring requires the risk identification report to be updated and contact maintained with the Requestors and the in-country Authorized Representative, particularly after site visits or other meetings.

- 5. Responses to Retaliation:** If PPM monitoring or other information indicates that Retaliation has occurred despite precautionary measures, the PPM endeavors to communicate with the Requestors and in-country Authorized Representative to understand and corroborate the facts. The PPM then presents a Retaliation incident report to the President, Management, and the Board of Directors. The PPM and Management then attempt to implement any planned response developed with the Requestors and in-country Authorized Representative (where possible).
- 6. Improving Responses to Retaliation:** The PPM will work with the Independent Accountability Mechanisms Network, a professional association of IAMs, and other groups to advance development of approaches to effective reduction and management of Retaliation against Project-affected people. This may include developing an incident database and related information exchange measures, including naming of agencies or clients involved in Retaliation. The PPM learning function will also routinely capture and incorporate emerging good practices for mitigating the risks of Retaliation.

Attachment 5

PPM Outreach, Learning and Training

1. In addition to their responsibilities in handling submissions, PPM staff may, under the direction of the MD-CEIU, also conduct outreach, learning and training activities to raise awareness of the PPM.

2. PPM Outreach

- 2.1. The PPM raises awareness of the PPM with Clients and their agencies, other development or financing partners, and external stakeholders that are interested in, or affected by, AIIB-financed Projects. The PPM undertakes outreach through activities such as:
 - 2.1.1. Publishing PPM user guides, tool kits, checklists, templates, information brochures and other materials in relation to PPM activities and providing downloadable versions through links on the PPM website.
 - 2.1.2. Including links to the PPM website on AIIB's website, and working with Management to encourage the Client to develop and maintain a dedicated website for each Project, including a link to the PPM website. Links to the Client's site are made available on the PPM website.
 - 2.1.3. Disseminating information about the PPM through appropriate governmental and local authorities, NGO, CSO, private sector, research, academic and other appropriate organizations and entities in the countries where AIIB does substantial business.
 - 2.1.4. Conducting online, audio-visual and in-person outreach activities with local communities, government authorities, local, national and international CSO and other stakeholders to increase local awareness and capacities to use the PPM.
 - 2.1.5. Collaborating with other independent accountability mechanisms and multilateral development banks in outreach activities, including those of the Independent Accountability Mechanisms Network.
- 2.2. The PPM will use modern and innovative information technology and social media platforms and programs, such as mobile applications, to improve outreach in user-friendly, gender-sensitive, interactive and cost-effective ways.

3. PPM Learning and Training

- 3.1. AIIB is committed to building an institutional culture of continuous AIIB-wide learning and accountability to better serve Clients and Project communities. The PPM contributes to this objective by systematically capturing and sharing learning to enhance effective implementation of the ESP in Projects financed by AIIB. The PPM learning function is well placed to independently identify drivers of positive and adverse Project environmental and social impacts during the review of PPM submissions.

- 3.2. The PPM seeks opportunities to learn from and with other IAMs and PPM stakeholders, including as part of its outreach and training activities. The PPM also works with partners within and outside AIIB, as appropriate, to develop and share learning materials.
- 3.3. The PPM provides interactive PPM training for AIIB staff and consultants in relevant units across AIIB, including in collaboration with AIIB's environmental and social staff. The PPM will also develop practical training materials, interactive tools and guides for use in sequenced PPM e-training and in-person sessions