

30 August 2024

MR. JIN LIQUN

President

Asian Infrastructure Investment Bank (AIIB)

Dear President Jin,

Subject: Civil Society Engagement and Issues of Concern Regarding Meaningful Participation in the AIIB Annual Meeting 2025, Uzbekistan

The NGO Forum on ADB Network is writing to address key issues related to AIIB's upcoming Annual Meeting in Uzbekistan and the meaningful participation of civil society.

We have participated in the AIIB Annual Meetings since the Bank's inaugural meeting in 2016 and continue to urge the Bank towards deeper civic engagement. While AIIB's projects draw on the expertise of technical consultants, government agencies, and the private sector, this insular collaboration often overemphasizes project benefits and underplays associated risks. Through dialogue with civil society representatives and affected communities, the AIIB can gain insight into the realities on the ground and the effectiveness of its policy implementation. Our reflections and experience sharing aim to further inform and strengthen the AIIB, guiding it towards more inclusive development finance.

Need for Comprehensive Stakeholder Engagement

Currently, the AIIB struggles to ground its projects through comprehensive social, including gender, environmental, and climate protection acceptance. This challenge is exacerbated by the internal focus on stakeholders embedded within the architecture of project finance. Although valuable, their perspectives lack the diversity needed to address the multifaceted impacts of AIIB's operations. The AIIB must engage in genuine dialogues with external stakeholders, particularly civil society organizations (CSOs). These interactions will provide critical insights absent from the current internal consultations, ensuring that AIIB's projects align with broader social and environmental justice goals. CSO consultations, especially with diverse constituencies, including women, should be prioritized in all policy and action plan developments, including the Gender Action Plan, to ensure a transparent, participatory, and inclusive process.

Limitations of Current Engagement Formats

However, the current format of the AIIB Annual Meeting's CSO Management session needs to facilitate effective dialogue. The session has become a complex amalgamation of issues, with insufficient time for deep dives and meaningful feedback. The hierarchical structure within these sessions restricts open dialogue and limits exchanges between management and CSOs, impeding collaborative problem-solving.

Proposed Topics for Discussion at the 2024 Annual Meeting

As we approach the AIIB Annual Meeting in 2024 in Uzbekistan, we propose addressing the following topics through civil society-led panel discussions:

- 1. Just Transition: The global shift from fossil fuels to renewable energy demands a comprehensive approach in line with international human rights standards that includes labor rights, social inclusion, especially for women and girls, and sustainable employment. The current framing of new, harmful technologies under the guise of Just Transition risks derailing genuine progress. AIIB must critically evaluate these technologies and ensure the transition is both just and effective. The panel is expected to bring to light AIIB's energy portfolio and address the Bank's commitments to shifting financing towards renewable energy and fully divesting from fossil fuels.
- 2. Environmental Social Framework Implementation and Impacts on Communities through AIIB Projects: AIIB's operational model, with only a few HQ-based staff members dedicated to the Environmental and Social Framework (ESF), is grossly insufficient. This lean structure fails to address the complex realities of project impacts. AIIB must engage in critical dialogue with civil society to assess and manage the social and environmental impacts of its projects accurately. This engagement is essential for aligning AIIB's operations with community needs and environmental sustainability.
- 3. **AIIB Climate Responsibility and Paris Alignment:** The AIIB has committed to being a partner to its borrowing members in meeting the Paris Agreement goals. However, in practice, the Bank continues to heavily invest in fossil fuels and remains opaque in its climate finance and policies. Through a panel discussion, we seek further clarity on AIIB's Paris Alignment goals, objectives, and approaches in a manner that is transparent and meaningful.
- 4. AIIB and Gender: The AIIB is currently developing a Gender Action Plan, which has been withheld from consultation with civil society. We also observe a lack of gender considerations in the AIIB ESF. While women are at the highest risk of project impacts, the AIIB has yet to address this risk with the necessary urgency. We propose a deep dive into this topic to guide the AIIB towards becoming more gender-responsive.
- 5. AIIB Civil Society Engagement: The notion of civil society engagement by the AIIB remains contradictory. Despite recent commitments from senior management to enhance dialogue with civil society, the Bank still lacks a uniform approach to public consultations around policy and strategy reviews. Meaningful engagement with project-affected communities and local civil society remains a glaring omission, leading to a lack of trust and increased risk during project implementation.

A Dedicated CSO Engagement Space

It is essential to emphasize the need for a dedicated and substantial space for civil society engagement during and beyond the AGM. The inclusion of only two CSO slots at the Bank this

year, announced just six weeks before the meeting during a holiday period, left civil society with little time to prepare. Clear and structured opportunities for CSOs to present their perspectives, engage in meaningful discussions, and collaborate with AIIB management are indispensable for achieving the Bank's development goals. Moreover, given that the Annual Meeting will be held in Uzbekistan, a country categorized as having a closed civic space, the AIIB must have protocols to ensure the protection and security of civil society actors participating in its events.

CSO Roundtable Discussion with AIIB Executive Directors

We propose that the Bank commit to creating a space for direct engagement between civil society and the AIIB's Executive Directors (EDs) during this AIIB Annual Meeting. This interaction aims to bridge communication gaps, share community concerns, foster mutual understanding, and explore avenues for collaboration.

A Common Practice Among MDBs

The issues we raise and the calls for engagement that we make are not unprecedented; such practices are already well-established among other Multilateral Development Banks (MDBs). Institutions like the World Bank, ADB, and others have long recognized the value of comprehensive stakeholder engagement and have instituted regular, transparent, and inclusive processes for civil society input. It is high time that AIIB aligns itself with these standards, ensuring its commitment to meaningful participation and open dialogue.

The above topics for discussion are not only necessary but urgent. By fostering an inclusive and open dialogue with a diverse range of civil society stakeholders, AIIB can redefine its development and policy framework, ensuring its projects are just, sustainable, and truly beneficial.

Lastly, civil society representatives registered for the AIIB Annual Meeting face significant hurdles in acquiring visas from the Uzbekistan government. We urge the AIIB to ensure a visa-on-arrival or an e-visa process for all registered participants. If the AIIB is committed to civil society engagement, it must ensure that we can attend the meeting without undue prejudice, hassle, or obstacles, especially around visa acquisition.

We look forward to seeing these critical issues addressed at the Annual Meeting and are prepared to engage further to support AIIB in making these necessary changes.

Thank you for your attention to these urgent matters.

On behalf of the NGO Forum on ADB Network,

Rayyan Hassan Executive Director

NGO Forum on ADB

Endorsed by the following organizations:

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350.org

Accountability Counsel

Aksi! - for Gender Social and Ecological Justice

Asian Forum for Human Rights and Development (FORUM-ASIA)

Asian Peoples' Movement on Debt and Development (APMDD)

Bangladesh Working Group on External Debt (BWGED)

Big Shift Global

BRICS Feminist Watch

Center for Energy, Ecology and Development

Centre for Environmental Justice (CEJ)

Centre for Research and Advocacy (Northeast India)

CLEAN (Coastal Livelihood and Environmental Action Network)

Climate Action Network International

Coalition for Human Rights in Development

Freedom from Debt Coalition (FDC)

Global Alliance for Incinerator Alternatives - Asia Pacific

Growthwatch

Indian Social Action Forum (INSAF)

Indigenous Women Legal Awareness Group (INWOLAG)

Indonesian Forum for Living Environment (WALHI)

Indus Consortium

Latinoamérica Sustentable

Legal Rights and Natural Resources Center-Kasama sa Kalikasan (LRC-KsK)

Nash Vek

OT Watch Mongolia

Pakistan Fisherfolk Forum

People's Coalition for the Right to Water (KRuHA)

Philippine Movement for Climate Justice (PMCJ)

Programme on Women's Economic, Social and Cultural Rights (PWESCR)

Recourse

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