

Decision on the Oversight Mechanism

The Board of Directors,

Endorsing the approach set out in Paper on the Oversight Mechanism,

Recalling that such oversight mechanism shall be in line with principles of transparency, openness, independence and accountability, with due regard to the relevant general understandings recorded by the Chief Negotiators' Report on the Articles of Agreement of the Asian Infrastructure Investment Bank (AIIB),

Acting upon Article 26(iv) of the Articles of Agreement whereby it is required to establish an oversight mechanism in furtherance of the supervision by the Board of Directors of the management and the operation of the Bank on a regular basis,

Resolves to

1. Establish the oversight mechanism, constituted by the following organizational components established, and interconnected, by implementation of this Decision:
 - 1.1. Functions of the Complaints-resolution, Evaluation and Integrity Unit (CEIU), namely Project-Related Complaints, Evaluation and Anti-Fraud and Corruption, as defined in the Terms of Reference for CEIU.
 - 1.2. External Audit Function, as undertaken by the External Auditor appointed by the Board of Directors.
 - 1.3. Implementation of Article 13(4) of the Staff Regulations.
2. Accordingly approve the Terms of Reference of CEIU, the revised Terms of Reference of the Audit and Risk Committee, the Budget and Human Resources Committee and the Policy and Strategy Committee of the Board of Directors, and the revisions to the Board of Directors' Rules of Procedure.
3. Instruct the President to make all necessary provisions to implement this Decision.
4. Conduct a review of the Oversight Mechanism three years from the adoption of this Decision, including the Terms of Reference of CEIU.

(Adopted on July 10, 2019)