

**Cover Note for Phase 2 Public Consultations on  
Proposed Revisions to the Asian Infrastructure Investment Bank (AIIB)  
Policy on the Project-affected People's Mechanism (PPM)  
July 1 – Sep. 30, 2025**

**Background:** CEIU has undertaken a review of the PPM Policy Review in order to assess the effectiveness of the PPM and make recommendations to the Board of Directors (Board) designed to enhance the PPM's visibility, accessibility, and responsiveness to Project-affected People, and thereby enhancing AIIB's accountability.

The PPM Policy Review is following a three-phased approach. Phase 1 of the Review focused on development of inputs, including a Roadmap for the PPM Policy Review, PPM Policy Review Approach Paper, PPM External Review and broad-based stakeholder consultations.

Phase 2 focused on synthesizing the inputs and identification and prioritization of key issues through in-depth technical discussions with AIIB's Management and Board on selected revisions and clarifications to the PPM Policy.

Phase 3 (currently ongoing) focuses on finalization of the PPM Policy Review and involves public consultations on the proposed revisions to the PPM Policy, from July 1, 2025, through September 30, 2025.

**Selected Revisions and Clarifications to the PPM Policy:** The proposed revisions are elaborated in the Table below. In addition to these substantive updates, it is proposed to revise the name of "Project Processing Queries" to "Early Problem Solving" throughout the PPM Policy for easier understanding of this particular function. The proposed revisions also include editorial modifications, such as: revision of relevant footnotes and removal of outdated footnotes; renumbering of sections and other necessary adjustments for easier reading of the PPM Policy; and edits to reflect AIIB's evolving organizational structure and enhance clarity and accuracy.

**Next Steps:** After taking into consideration views and inputs received from various stakeholders including AIIB member governments, Board members, clients, peer independent accountability mechanisms (IAMs), civil society organizations (CSOs) and the broader public, a final revised draft will be presented to the Board for approval in Q4 2025.

**Table: Selected Revisions and Clarifications to the PPM Policy**

<b>Proposal</b>	<b>Reason</b>	<b>Relevant Sections in Revised Draft PPM Policy</b>
<b>1. Single Requestor for gender-based violence (GBV), sexual harassment (SH), sexual exploitation and abuse (SEA):</b> A revision to the PPM Policy is proposed to allow for a single Requestor (rather than 2 or more) to file a submission with PPM in cases involving allegations of GBV, SH or SEA.	This is because these allegations are often related to single individuals rather than communities.	Section 3.1
<b>2. Prior Good Faith Efforts:</b> Updates to the PPM Policy are proposed to clarify the broad discretion afforded by the Policy to enable Requestors to approach the PPM in cases where they have failed to resolve their issues with the Project-level grievance redress mechanism (GRM) and Management.	<p>These updates would maintain the PPM Policy's fundamental premise of the importance of working through GRMs and Management, while emphasizing the inherent discretion already afforded by the PPM Policy.</p> <p>They would also clarify circumstances in which Requestors can approach the PPM, when their good faith efforts to resolve issues have failed, such as: (a) the non-existence or non-functioning of the Project-level GRM; (b) a failure on the part of Management to engage meaningfully with the Requestors within a reasonable period of time following notice to Management to engage with the Requestors; or (c) a risk of retaliation.</p>	<p>Section 2.1</p> <p>Section 4.1</p> <p>Old Section 5.1.8 / New Section 6.1.8</p>
<b>3. Matters under Judicial Review:</b> A revision to the PPM Policy is proposed to eliminate the clause on ineligibility of a submission that is also under arbitral or judicial review.	This would enhance accessibility as it would allow Requestors to approach PPM even if the issue is also under arbitral or judicial review.	<p>Old Section 5.2.4</p> <p>Old Section 6.8.5</p>
<b>4. Quantifiable Harm:</b> A revision to the PPM Policy is proposed to eliminate the requirement of "quantifiable" harm from the description of the Dispute Resolution (DR) function.	This acknowledges that quantifying harms at the DR stage may be difficult.	Section 2.1.2
<b>5. Confidentiality of Requestors:</b> Strengthening of the text in the PPM Policy regarding the granting of confidentiality for Requestors is proposed by elevating text from the Rules of Procedure (RofP) to the Policy.	This would help address the increasing fears expressed by Project-affected people regarding retaliation.	Old Section 9.1 / New Section 10.1

Proposal	Reason	Relevant Sections in Revised Draft PPM Policy
<b>6. Timeline for Submission of Compliance Review (CR) following failed Dispute Resolution (DR):</b> A revision to the PPM Policy is proposed to clarify that filing a CR request following failure to reach agreement under a DR involving a Sovereign-backed Financing (SBF) would be considered an “exceptional circumstance” allowing PPM to consider the CR if the request is submitted during the 24-month period following the Closing Date.	This would facilitate a smooth transition from a DR to a CR where needed.	Old Section 4.2.1 / New Section 5.2.1
<b>7. Lessons Learned from Reliance on Co-financier’s IAMs:</b> New text is proposed to be added to the PPM Policy to provide that, in cases where AIIB relies on a co-financier’s IAM and that IAM makes a finding of non-compliance, Management would report to the Board on the implications for AIIB and the opportunities for institutional learning resulting from the IAM’s findings.	This would enhance the link between reliance on other IAMs and AIIB’s own accountability and learning on cases handled by peer IAMs.	New Section 11.2
<b>8. Verification of Management Action Plan (MAP) Implementation:</b> A revision to the PPM Policy is proposed to provide for independent verification by PPM under exceptional circumstances and subject to Board approval, of specific measures included in the MAP.	This would address concerns raised regarding potential inadequacy of self-monitoring.	New Section 7.8.11
<b>Editorial Changes</b>		
1. Change the name of Project Processing Queries (PPQ) to early Problem Solving (EPS) throughout the PPM Policy for easier understanding of this particular function.		
2. Revision of text in Section 1.3 aims to reflect the evolving nature of AIIB’s organizational structure.		
3. Some footnotes have been revised for easier reading / better cross-reference to other policies.		
4. Outdated footnotes have been deleted.		
5. Corrections have been made in various cross-references within the policy.		
6. Clarifications have been provided for date of approval / effectiveness and periodic review of the policy in relevant sections.		