



DIRECTIVE ON THE ENVIRONMENTAL AND SOCIAL FRAMEWORK

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Related Documents: Environmental and Social Framework, Administrative Guidance on the Environmental and Social Framework.



Directive on the Environmental and Social Framework

January 14, 2026

A. Overriding Objective

1. The objective of the Directive on the Environmental and Social Framework (**Directive**) of the Asian Infrastructure Investment Bank (**AIIB** or **Bank**) is to facilitate the application by the Bank's personnel of the Environmental and Social Framework (**ESF**).
2. The key elements of the ESF are a Vision Statement (**Vision**) and the **Environmental and Social Policy (ESP)**, accompanied by the Environmental and Social Standards (**ESSs**) and the Environmental and Social Exclusion List (**ESEL**) (the ESP, ESSs and ESEL are collectively referred to as the **Policy**).
3. The Policy derives directly from the requirement in the Bank's Articles of Agreement that “[t]he Bank shall ensure that each of its operations complies with the Bank's operational and financial policies, including without limitation, policies addressing environmental and social impacts.” The Policy constitutes one of AIIB's major policies and is central to the design and implementation of projects supported by the Bank's financing.
4. The interpretation and implementation of this Directive, which requires being read in conjunction with the ESF, shall seek to give effect to the above objective.

B. Definitions

5. The capitalized terms used in this Directive have the meanings set forth or referred to in the ESP, *Section II, Definitions*, or in the Operational Policy on Financing (**OPF**), the Directive on the operational Policy on Financing (**OPF Directive**), or as set forth below:
 - (a) **Environmental and Social Advisor (ES Advisor)** means the members of the Bank's personnel assigned by the Strategy, Policy and Budget Department (**SPB**) to support the Policy and Strategy Group (**PSG**) in the performance of the responsibilities described below in *Section 10, Responsibilities of the Policy and Strategy Group (PSG)*.
 - (b) **Environmental and Social Specialists (ES Specialists)** means the members of the Bank's personnel assigned by the Sustainability and Fiduciary Solutions Department (**SFD**), to support the Investment Solution Group (**ISG**) in the performance of the responsibilities described below in *Section 9, Responsibilities of the Investment Solutions Group (ISG)* of this document.

- (c) **Project Change** means a change to the Project or Financing, as described in the ESP, *Section X, Project Implementation, Monitoring and Reporting*.

C. Bank Responsibilities

- 6. The respective responsibilities of the Bank and the Client in implementing the Policy for each Project are set out in the ESP, *Section IV, Roles and Responsibilities*. For Results-based Projects (**RBPs**), these responsibilities are set out in the ESP, *Paragraph 15 Environmental and Social Assessment of Results-based Projects in Section III, Scope of Application*. For Climate Policy-based Programs (CPBP), these responsibilities are set out in the ESP, *Paragraph 16 Climate Policy-based Programs in Section III, Scope of Application*. The following elaborates on the responsibilities of the various Departments within the Bank for implementing the Policy.
- 7. **Shared Responsibilities.** For purposes of this Directive, the Investment Client Groups (**IC Groups**), the ISG, and the PSG share responsibility for implementing the Policy, with the support of the Legal Department (**LEG**) as appropriate.
- 8. **Responsibilities of the Investment Client Groups (IC Groups) and the Portfolio Management Department (PMD)**
 - a. Each IC Group Department, with support from ISG, is responsible for preparing and delivering Financings and monitoring and oversight of the Client's implementation of the Project regarding the Project's Environmental and Social aspects under the particular IC Group's responsibility, in accordance with the Policy. The PMD, with the support from ISG, is responsible for monitoring and oversight of the implementation of Projects and their Financings transferred to PMD from the IC Groups as per the Directive on the Operational Policy on Financing.

9. Responsibilities of the Investment Solutions Group.

- a. ISG, in particular SFD, through the ES Specialist assigned to each Project, is responsible for conducting the environmental and social due diligence assessment of the Project and monitoring and overseeing Environmental and Social aspects of the Project implementation, in accordance with the Policy. More specifically, this responsibility includes:
 - (i) Screening and proposing the ES category for the Project.
 - (ii) Conducting AIIB's due diligence assessment on the ES aspects of the Project, including assessing the ES feasibility of the Financing.
 - (iii) In the case of an RBP:
 - (1) Conducting the assessment of the ES systems proposed to be applied to the RBP, including the RBP's ES risk and the Client's ES capacity;
 - (2) Identifying all activities that would have significant ES impacts and consequently require exclusion from the RBP and its

financing by the Bank in accordance with the Policy; these include: (i) all Category A activities; and (ii) all Category B activities that are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or Project-affected people; and

- (3) Developing, as appropriate, the measures under the RBP Action Plan to enhance the ES systems and to strengthen institutional capacity.
- (iv) In the case of a CPBP:
 - (1) Conducting the analysis of the environmental and social aspects of the actions under the CPBP, and the Member's systems to address such impacts;
 - (2) Identifying shortcomings in the Member's systems and documenting how these will be addressed.
- (v) Disclosing ES information on the Project in accordance with the Policy, as well as material updates to the ES information as needed.
- (vi) Properly reflecting the Project's ES aspects in the Project Document and the Project Change Document to process the approval of material and non-material changes to the Project.
- (vii) Monitoring and oversight of the implementation of the ES aspects of the Project and addressing any issues that arise during the Client's implementation of the Project (including, in the case of an RBP, implementation of the ES measures under the RBP Action Plan and review of RBP monitoring reports, and in the case of CPBP, implementation of actions identified to address shortcomings in Member systems), including any changes to the Project that may be required to achieve the Project's objectives.

b. At all stages, from the assessment of the Project through to the Project's monitoring and oversight and completion, the PTL and ES Specialists work together cooperatively in order to identify, monitor and address the ES issues arising under the Project. They keep each other informed of their respective work in this regard and brief the ES Advisor on the work completed and the findings of that work.

10. Responsibilities of the Policy and Strategy Group.

- (a) **Policy Development.** This responsibility covers all aspects of policy development including:
 - (i) Interpreting and providing guidance and advice on the Policy and its associated Directive, Instructions and Guidelines.
 - (ii) Assessing the application of the Policy and Directive across AIIB's Financing portfolio.

- (iii) Updating the Policy and developing and updating its associated Directive, Instructions and Guidelines, as appropriate, in consultation with SFD and other concerned Departments.
- (b) **Policy Assurance.** The PSG is responsible for providing assurance that Projects comply with the Policy. To support the PSG in making this determination, the ES Advisor performs the following tasks in relation to each Project for which a Financing is extended, as applicable:
 - (i) In the case of a Project other than an RBP or CPBP:
 - (1) Approves the ES categorization (including re-categorization).
 - (2) Confirms the appropriateness of the scope of the Project's ES assessment, including any additional assessments that may be required as a result of Project Changes.
 - (3) Approves the proposed use of country or corporate ES systems under the Project and of ES documentation required for the use of such systems.
 - (4) Approves the proposed application of a co-financier's ES policies and procedures to the Project, in accordance with the *ESP, Section 10, Development Partner's Co-financier's Policies*.
 - (5) Approves the proposed application of another development partner's ES policies and procedures to the Project in accordance with the *ESP, Section 11, Adoption by the Client of a Development Partner's Environmental and Social Policy*.
 - (6) Confirms the appropriateness of the measures to address ES compliance issues that may be brought to the attention of, or identified by, the ES Advisor during the Project's monitoring and oversight and completion stages.
 - (ii) In the case of an RBP:
 - (1) Approves the ES categorization (including re-categorization).
 - (2) Confirms the ES systems assessment conducted by the ES Specialists, including (A) weakness and risks in the proposed ES systems; (B) any related measures to enhance these systems and institutional capacity, for inclusion in the RBP Action Plan; (C) proposed exclusion from the RBP of activities with significant ES impacts; and (D) any changes to this ES system assessment.
 - (3) Confirms the appropriateness of the measures to address ES compliance issues that may be brought to the attention of, or identified by, the ES Advisor during the Project's monitoring and oversight and completion stages.

- (iii) In the case of a CPBP:
 - (1) Confirms the analysis of ES Aspects conducted by the ES Specialists including (A) the significance of any adverse impacts; (B) the Member's systems to address such impacts; and (C) the measures proposed to address shortcomings in the Member's systems in regard to addressing the ES impacts.
- (c) **Advisory Support.** This responsibility includes:
 - (i) Providing guidance and advice on ES matters to Bank personnel, especially in the context of complex, innovative and high-risk Projects.
 - (ii) Providing guidance and advice on the ES aspects of the Project's monitoring and oversight and completion stages.
 - (iii) Providing inputs to the Communications Department on external outreach relating to ES matters.
 - (iv) Undertaking internal and external training on ES matters, including lessons learned, in coordination with SFD, as appropriate, and preparing guidance and templates to facilitate implementation of the Policy.
 - (v) Representing AIIB both internally and externally on ES matters (including approaches to ES policies and standards).

D. Disclosure of Environmental and Social Information

- 11. **Policy Requirements Applicable to the Client and the Bank.** ES documentation is disclosed as early as feasible during the Project cycle. To this end, the Policy sets out the ES documentation requirements and related disclosure deadlines: (a) applicable to the Client in the ESSs; and (b) applicable to the Bank in the ESP. The following elaborates on the responsibilities of the Bank's Departments in implementing these disclosure requirements.
- 12. **Bank Disclosure of ES Information.** The PTL, with support from the ES specialist, is responsible for disclosing, through the Project Summary Information, all ES information on the Project required to be disclosed by the Bank pursuant to the ESP and the Directive on the Operational Policy on Financing, as early as feasible during the Bank's due diligence assessment of the Project as outlined in the ESP, *Paragraph 67, Environmental and Social Information Disclosure by the Bank*,¹ subject to any deferral of disclosure permitted under the Policy.
- 13. **Deadlines for Bank Disclosure of Draft ES Documentation.** Deadlines for disclosure by the PTL of the Client's draft ES documentation (and if applicable, any Bank review of the Client's system) are set out in the ESP, 67, *Environmental and Social Information Disclosure by the Bank*; Paragraph 15, *Results-based Projects*; and Paragraph 16, *Climate Policy-based Programs*. These deadlines vary

¹ This early disclosure applies equally to Sovereign-backed and Non-sovereign-backed Financings.

depending on the Project's categorization and whether the Project is an RBP, CBPF or not.

14. **Bank Disclosure of Other ES Documentation in a Timely Manner.** The PTL, with support from the ES specialist, discloses the other ES documentation for the Project that is required to be disclosed pursuant to the Policy, in a timely manner following disclosure by the Client.
15. **Bank Disclosure of Material Changes to ES Documentation.** The PTL, with support from the ES specialist, discloses any material change or addition to the disclosed ES documentation for the Project as soon as such information becomes available, and in any event prior to the approval of such change. (See *ESP, Paragraph 85, Project Changes, and Section 86, Changes Requiring Adaptive Management.*)
16. **FI Client Disclosure of ES Information.** The disclosure responsibilities of an FI Client, including certain disclosure deadlines, are set out in *Paragraph 21 of ESS 1, Environmental and Social Assessment and Management.* The PTL, with support from the ES specialist, is responsible for advising the FI Client of these requirements and, with the support of LEG, for obtaining corresponding appropriate undertakings from the FI Client.
17. **Deferral of Disclosure.** The Investment Committee (IC) may defer the timing of disclosure of the ES information referred to above in line with the process detailed in Paragraph 68 of the *ESP*. The PTL, with the support from the ES specialist, will propose the justification for such deferral, to be confirmed by the *ESA*.

E. Dissemination of Information on the Project's Grievance Redress Mechanisms, the Management-led Grievance Mechanism, and the Independent Accountability Mechanism

18. The Bank requires all Clients to inform Project-affected people about the availability of the Project's Grievance Redress Mechanisms (**GRMs**) for the Project, the Management-led Grievance Redress Mechanism (MGM), and of the Project-affected People's Mechanism (**PPM**) or other applicable Independent Accountability Mechanism (**IAM**), as provided for in the Policy², Paragraphs 73 – 75 of the *ESP*, and Paragraphs 16, 20, 24 and 25 of *ESS1*.

F. Authority

19. The President shall make all final decisions regarding the application of this Directive.

G. Replacement of Past Directive

20. This Directive replaces the AIIB Directive on Environmental and Social Framework, dated August 14, 2023.

² The one exception to this requirement relates to Projects covered by the *ESP, Section 12, Environmental, Social and Governance Approaches to Capital Market Operations*.