

Press Release

5 years in operations: China-led bank AIIB disregards rights of affected people

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A coalition of non-governmental organizations has criticized the 2020 Annual Meeting of the Asian Infrastructure Investment Bank (AIIB) for not allowing the participation of affected communities and civil society during the meeting that took place in late July.

On the issue of addressing climate change, the AIIB has heavily invested in fossil fuels, especially gas-based power plants and transmission pipelines in Central Asia and South Asia. Furthermore, it has a very minimal investment in renewable energy projects and almost no investments in decentralized energy access.

According to Claudette Arboleda from the Asian Peoples' Movement on Debt and Development (APMDD) *"AIIB is not in a hurry to shift to renewables. If it claims to adhere to the Paris Agreement, which targets a reduction of GHG emissions by 40% below 1990 levels by 2030, why then is AIIB continuing to invest in gas-fired power plants which have a life cycle of 50 years or even much longer?"*

Nora Sausmikrat from the Human Rights Organization Urgewald said: *"The AIIB invests in infrastructure without proper verification of Human Rights and Environmental Standards. The bank doesn't even notify people on the ground in their local languages until construction has started. There is no functioning complaint mechanism or institution affected people could turn to. European shareholders, first of all, Germany as the biggest non-regional lender, must urge the bank's management to change track immediately."*

According to Vidya Dinker from the Indian Social Action Forum (INSAF), *"for some, the AIIB had made very encouraging statements early on with its commitments to combining lending speed with high standards. Now, 5 years into its operation, impacted communities and CSOs are still demanding broader participation in policymaking, transparency, accountability mechanisms, cooperation agreements, and redressal, and the Bank has clearly fallen far short of the expectations it built up."*

The bank is also lacking adequate safeguards for human rights defenders protecting the rights of communities impacted by AIIB projects. **Carmina Flores-Obanil, Asia Regional Coordinator of the Coalition for Human Rights in Devel-**

opment, said: *“At the very least, AIIB should adopt a no-tolerance policy prohibiting threats or attacks against those who voice their concerns about AIIB projects or clients, and outline measures for the assessment, prevention, mitigation and remedy of any reprisals. It should also publicly express its support for defenders, recognizing the legitimacy and importance of their work. We need a fundamental shift to place human rights and local communities at the center of how development is conceived and implemented.”*

On the AIIB’s recent Digital Sector Strategy, Rayyan Hassan, Executive Director, NGO Forum on ADB, explained: *“We are concerned that the AIIB’s promotion of automation in storage and transport will have a direct impact on unemployment of large masses of human labor, which requires further research and thorough risk assessment. Consequently, the digital infrastructure projects require significant energy supplies for operating mobile towers, server warehouses, and automated service points. The AIIB has yet to disclose whether its digital sector strategy will entail Paris Alignment and ensure just transition to renewable energy systems or will it risk further embedding the region to a fossil fuel pathway?”*

Despite the AIIB’s claim of being lean, clean, and green for the past 5 years, impacted communities and civil society organizations remain uncertain whether the bank will live up to its mandate in a way that is meaningful to vulnerable people across the region.

Further reading:

Overview of AIIB projects 2020: <https://t1p.de/9ezx>

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