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Statement by the Office of the United Nations High Commissioner for Human Rights on the Asian Infrastructure Investment Bank's Project-Affected People's Mechanism

The Office of the United Nations High Commissioner for Human Rights (OHCHR) followed with interest the recent update of the Policy on the Project-Affected People's Mechanism (PPM) of the Asian Infrastructure Investment Bank (AIIB).

Independent Accountability Mechanisms (IAMs) like the PPM provide channels through which people impacted by projects can inform a development finance institution (DFI) of real or perceived environmental and social harms and engage in formal, structured processes to either investigate policy non-compliance or address and resolve issues through a problem-solving process. IAMs have helped DFIs address countless serious issues including water contamination, forced evictions, sexual exploitation and abuse, and violations of labor rights. Strong IAMs act as early warning systems for DFIs and reduce their reputational and financial risks.

Launched in 2018, the first iteration of the PPM Policy did not meet many of the effectiveness criteria for grievance mechanisms laid out in the United Nations Guiding Principles on Business and Human Rights (UNGPs).[1] Compared with the IAMs of major multilateral development banks, the PPM especially lagged in terms of accessibility, transparency, and legitimacy. Despite the PPM receiving 24 complaints of project-related environmental and/or social harm from March 2019 through December 2025, *no* cases were found to be eligible, which calls into question the efficacy of the PPM's design.

The recent two-year effort to update the PPM represented an important opportunity to enhance its efficacy. Many stakeholders, including OHCHR, provided feedback on how to improve the mechanism to align with international standards, including the UNGPs, and the policies and practices of comparable institutions. While the process resulted in a number of modest improvements, the new PPM Policy unfortunately continues to suffer from many of the original PPM's fundamental weaknesses. For example, the updated PPM Policy continues to:

[1] The UNGPs principle 31 states that, to ensure their effectiveness, non-judicial grievance mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

- require complainants to engage with both a project-level grievance mechanism and AIIB management before they can access the PPM;
- prohibit single requestors from bringing a complaint, with the limited exception of cases involving gender-based violence, sexual harassment, and sexual exploitation and abuse;
- limit the extent to which complainants may be represented by individuals or organizations outside the country;
- permit a review to be terminated based on confidentiality concerns, in some cases;
- exclude co-financed projects from being eligible;
- limit independent monitoring of Management Action Plans and dispute resolution agreements, except in exceptional circumstances;
- lack the authority for the PPM to self-initiate a compliance review;
- lack an unambiguous requirement for a scheduled PPM policy review; and
- suffer from insufficient independence from AIIB management, including in hiring decisions.

Strong and effective IAMs are good for DFIs and good for the people and communities impacted by their projects. In OHCHR's view, the recent limited update to the PPM represents a missed opportunity to improve the AIIB's approach to addressing environmental and social harms connected to its projects.

The expanded use of mutual reliance agreements, in which DFIs apply each other's IAMs for co-financed projects, increases the importance of having an in-depth understanding of the relative strengths and weaknesses of each DFI's IAM. OHCHR intends to publish updated guidance on the application of the UNGPs effectiveness criteria to IAMs later in 2026, following consultations with IAMs and other relevant stakeholders.

To mitigate the impact of the PPM's deficiencies OHCHR would encourage AIIB to 1) ensure that the Managing Director for the Complaints-resolution, Evaluation, and Integrity Unit is hired through a Board-led process with the active and meaningful involvement of external stakeholders; and 2) apply the UNGPs effectiveness criteria and interpret and implement the new PPM in a manner that ensures accountability and remedy for environmental and/or social harms.