



Additional Comments—The Australian Greens

Environmental and Social Impacts

The Australian Greens believe that the Australian government's membership of the AIIB should be contingent on the establishment of strong environmental and human rights standards. *Article 13 – Operating Principles* of the Articles of Agreement states:

4. The 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 22 May 2015 Report on the Articles of Agreement states that these policies "should be based on international best practices". However, it is not clear if such policies have yet been drafted and/or if they have been circulated, considered or approved by members.

Recommendation:

The Government uses its diplomatic influence to secure standards for labour rights, environmental preservation and the protection of local communities that face displacement from large projects.

Recommendation:

The Government withdraws from the AIIB if policies addressing environmental and social impacts required by Article 13 of the Articles of Agreements are breached.

Governance and Operational Processes

The Australian Greens are concerned that employees of the AIIB will be provided immunity from prosecution for misconduct under domestic law, particularly in

relation to bribery and corruption. The committee report states that members of the AIIB must provide:

Immunity of all officials and employees from legal process for acts performed in an official capacity.

It is unclear what mechanisms are available to sanction employees of the bank for any misconduct in relation to their employment. It is also unclear whether the immunity provisions in relation to the conduct of employees relate to bribery or other corrupt conduct. And, it is unclear what, if any, standards the bank will apply in relation to its employees.

The immunity of AIIB employees is particularly concerning given that, regrettably, many countries in the Asian region which are likely to be the recipients of investment from the bank are plagued by corruption.

Recommendation:

The Government uses its diplomatic influence to secure standards for conduct by employees of the AIIB that are based on international best practices.

Senator Peter Whish-Wilson