

Dear Ella Skybenko, Eastern Europe & Central Asia Senior Researcher & Representative skybenko@business-humanrights.org

The Islamic Development Bank (IsDB) has been working for more than four decades to promote social and economic development in its 57 member countries as well as in Muslim communities worldwide. Its mission is underpinned by promoting peoples' right to dignity and prosperity, equipping people to drive their economic growth, building collaborative partnerships, and fostering innovative and sustainable solutions (https://www.isdb.org/who-we-are). Through its policies, IsDB aims to ensure that its investments in its member countries are inclusive, resilient, sustainable, and green in all respects. These values are enshrined in our strategic objectives and priority pillars of (1) developing green, resilient, and sustainable infrastructure development, and (2) supporting inclusive human capital development (https://www.isdb.org/news/isdbs-strategic-realignment-a-promising-strategy-for-a-sustainable-future).

IsDB ensures that all its investments are approved and implemented in accordance with standards of environmental and social safeguards, which are duly monitored. It has adopted an Environmental and Social Safeguards Policy that enshrines different aspects of human rights. This Policy is followed in all IsDB projects aiming at ensuring the social and economic well-being of local communities. The Bank follows the policy's principles and carries out necessary due diligence throughout the project cycle, from the appraisal of every new project to approval and implementation, including monitoring environmental and social aspects. Furthermore, IsDB adheres to the core procurement principles of economy, efficiency, fairness, and effectiveness to ensure that financing is used to maximize development impact for final beneficiaries. These principles are underpinned in project procurement policies and procedures of the Bank (https://www.isdb.org/project-procurement/).

Moreover, the Bank has an established mechanism/process to receive complaints on any specific issue related to procurement, social and environmental safeguards, or human rights arising from a project it has financed. If a complaint is received, the relevant units conduct a thorough investigation as per the Bank's policies and procedures. In this regard, it must be noted that the Bank has not received any complaints related to the projects mentioned in your letter that warrant an investigation.

In response to your invitation, IsDB is pleased to avail itself of this opportunity to set the record straight regarding the following projects:

1. Osh-Nookat-Isfana Highway - in the Kyrgyz Republic.

This is a road of approximately 390 km in length connecting the cities of Osh and Isfana in the Kyrgyz Republic. The allegations you listed relate to the Osh-Nookat section of the



road, which is an approximately 40 km long road project. The IsDB financing was for the construction of a 23 km long road (km 75 - km 108) in Batken – Isfana section, which is about 250 km away from the alleged road section.

The Bank has received no complaints concerning any environmental and social safeguards issues, either during the construction of the section it contributed to financing or after its completion.

2. North-South Alternative Road (section Balykchy-Kazarman-Jalal-Abad)- in the Kyrgyz Republic

The allegations you listed relate to Phase-1: Balykchy – Kazarman – Jalal Abad Section (km 291 – km 433) of the Alternative North—South Road Project in the Kyrgyz Republic. This road section was not financed by IsDB. The Bank is currently financing Phase-3: Construction of Section km 159 – km 183 of the Alternative North—South Road Project. The Bank did not receive any fraud and corruption-related complaints relating to the section it is financing.

3. Aktobe-Atyrau Highway:

The Bank is not involved in this project. We appreciate this to be corrected in the study.

4. Astana Bypass Road Reconstruction Project:

The correct name of the project is "Big Almaty Ring Road PPP Project (BAKAD)". IsDB has approved participation in the BAKAD PPP project with USD 100 million in support of the infrastructure development of Kazakhstan. The Government of Kazakhstan approved the project design of the road and the land allocation arrangements. All the environmental studies and social impact analyses have been conducted by an international consultant (ARUP) and approved by the Government of Kazakhstan. In order to reduce noise on the road, noise barriers have been installed along the highway. Also, thousands of trees are being planted to reduce the carbon print of the highway. The Bank did not receive any complaints relating to the section it is financing.

Best regards,

Islamic Development Bank