

Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2010)

1. Introduction

(1) Outline of the Objection Procedures¹

The Objection Procedures (“Procedures”) stipulate their objectives as follows:

- (i) To investigate facts as to whether or not the Japan Bank for International Cooperation (JBIC) has complied the Guidelines for Confirmation of Environmental and Social Considerations² (“Guidelines”), and to report the results to President & CEO, JBIC to ensure that JBIC complies with those Guidelines; and
- (ii) To promote dialogue between the parties concerned and, based on their consent, to quickly solve specific conflicts concerning environmental or social issues related to JBIC-financed projects which have emerged due to non-compliance with the Guidelines.

The Procedures call for the Examiners for Environmental Guidelines (“Examiners”) to conduct an independent and impartial investigation when objections are submitted by the parties affected, such as local residents, in line with the Procedures, and to report the results to President & CEO, JBIC. The Examiners also contribute to the speedy solution of problems by fostering dialogue between the parties concerned.

JBIC established the Procedures in October 2003 in advance of other export credit agencies or bilateral aid agencies and prior to the adaptation of the “common approach” environmental review recommendations adopted by the OECD.

(2) Publication of the Annual Report

The Annual Report publishes the Examiners’ activities during the previous fiscal year in line with the Procedures.

¹ Summary of Procedures to Submit Objections Concerning JBIC Guidelines for Confirmation of Environmental and Social Considerations

<http://www.jbic.go.jp/en/about/environment/guideline/disagree/index.html>

² JBIC Guidelines for Confirmation of Environmental and Social Considerations

<http://www.jbic.go.jp/en/about/environment/guideline/confirm/index.html>

2. Report on Activities in FY2010

(1) Objections

There were no objections submitted during FY2010 (April 2010 to March 2011).

(2) Reappointment of Examiners

Since October 2008, Professor Seiji Ikkatai of Kyoto University and Professor Yoshinobu Kitamura of Sophia University have taken office as Examiners. On October 2010, they were reappointed and thus will perform their role for 2 more years (until September 2012).

(3) Public Relations Activities

Details of the Procedures are explained in both English and Japanese on the JBIC website. The backgrounds of the two Examiners are also introduced on the website. The full printed text of the Procedures in English and Japanese is available at the Head Office, International Finance Department, West Japan and at overseas Representative Offices.

In order to enhance proper understanding of the Procedures, several presentations on the Procedures were given during FY2010 for working-level officers in recipient countries, etc.

(4) Communication with the World Bank's Inspection Panel and other institutions

Multilateral development banks such as the World Bank have successively introduced accountability mechanisms over the last decade similar to JBIC's Procedures. The World Bank's Inspection Panel, established in 1993, has received more than 70 objections, and thus has a long history compared to other international and bilateral financial institutions.

The World Bank's Inspection Panel initiated the Meeting of Accountability Mechanisms in International Financial Institutions and Related Institutions and held annual meetings from 2004. In June 2010, the seventh meeting was held by the JBIC and Nippon Export and Investment Insurance (NEXI) in Tokyo with the participation of several international financial institutions and bilateral institutions.³

At this meeting, some organizations reported several issues related to accountability mechanisms, including methods for outreach activities, collaborative complaint

³ Participants: World Bank Inspection Panel, IFC Compliance Advisor/Ombudsman, EBRD Project Complaint Mechanism, ADB Accountability Mechanism, IDB Independent Consultation and Investigation Mechanism, AfDB Independent Review Mechanism, EIB Complaints Mechanism, EU Ombudsman, OPIC Office of Accountability, NEXI Examiner for Guidelines on Environmental and Social Considerations in Trade Insurance, and JBIC Examiner for Environmental Guidelines.

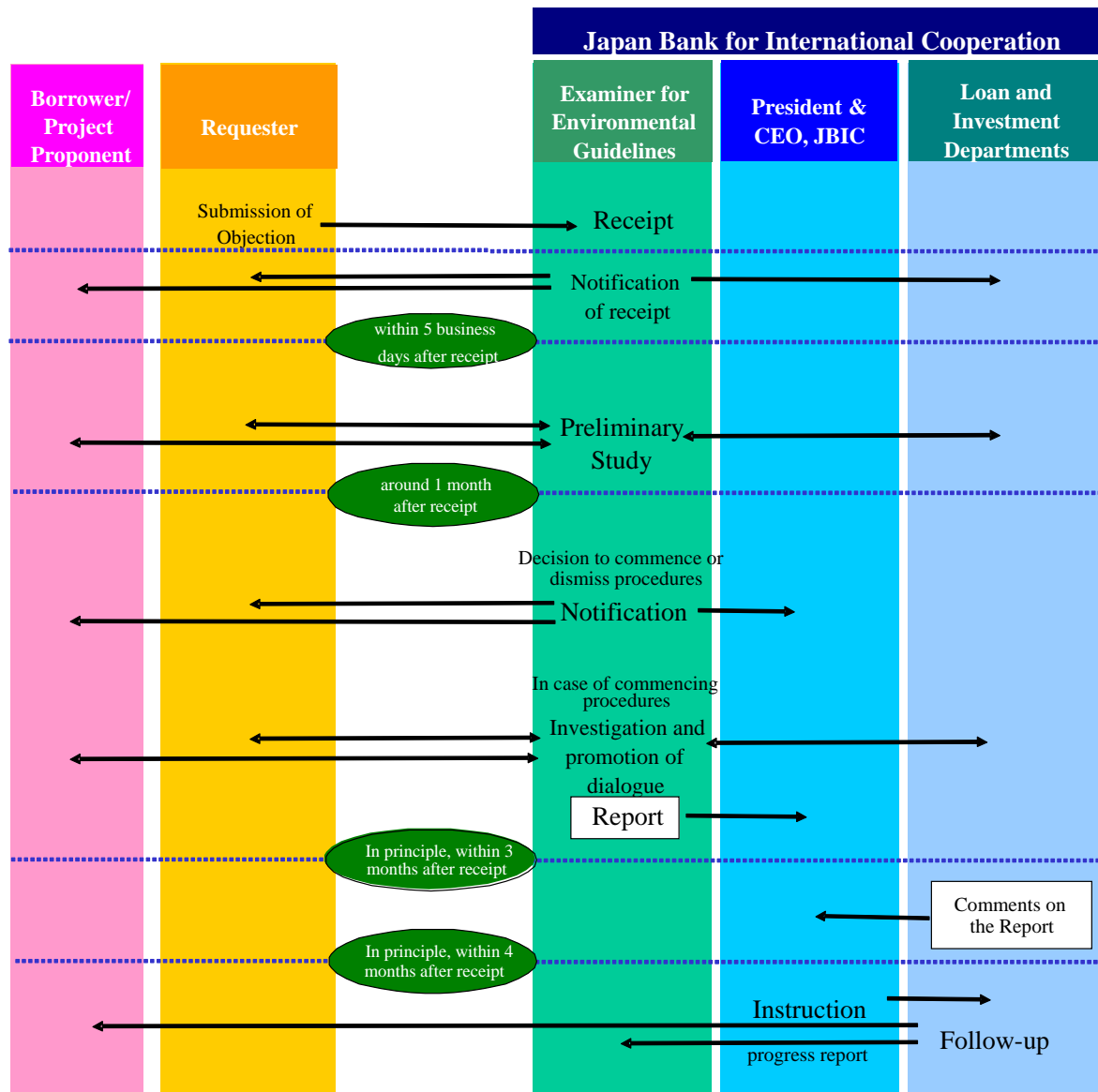
handling regarding projects implemented by multiple financial institutions, and the governance of the Independent Accountability Mechanisms (IAM). Other specific activities and cases were also presented by organizations, and there were active discussions and opinion exchanges among participants.⁴

Through these activities, JBIC Examiners have proactively exchanged views on how to ensure the fair and appropriate implementation of the processes of the Procedures, including desirable procedural steps in practice.

⁴ Concurrently, the Asian Development Bank (ADB) hosted an event in Tokyo related to this IAM meeting. At the event, some members of the IAM meeting (including JBIC), attendants from civil society and academics interacted with each other.

4. Objection Procedures

(1) Flow of the Objection Procedures



(2) Submission of Requests

A request to raise an objection should be sent to the Examiners.

Address 4-1, Ohtemachi 1-chome, Chiyoda-ku,
Tokyo 100-8144, JAPAN

Examiner for Environmental Guidelines,
Japan Bank for International Cooperation

Fax +81-3-5218-3946

E-mail sinsayaku@jbic.go.jp

Website: <http://www.jbic.go.jp/en/about/environment/guideline/disagree/index.html>

(Sample)

Request

Date: _____

To: The Examiner for Environmental Guidelines

Japan Bank for International Cooperation (“JBIC”)

- (A) Names of Requester:
- (B) Place of contact of the Requester:

【if the Requester uses an agent】

(Name of the agent)

(Place of contact of the agent)

We wish to keep our names not disclosed to the Project Proponent.

Yes / No (circle either one)

- (C) Project with respect to which the objections are submitted:
 - Name of country
 - Project site
 - Outline of the project
- (D) Substantial damage actually incurred by the Requester or substantial damage likely to be incurred by the Requester in the future as a result of JBIC’s non-compliance with the Guidelines with regard to the Project which JBIC provides funding
- (E) Relevant provisions of the Guidelines considered by the Requester to have been violated by JBIC and the facts constituting JBIC’s non-compliance alleged by the Requester
- (F) Causal nexus between JBIC’s non-compliance with the Guidelines and the substantial damage
- (G) Resolution desired by the Requester
- (H) Facts concerning the Requester’s consultation with the Project Proponent
- (I) Facts concerning the Requester’s consultation with JBIC’s Operational Department
- (J) If a Request is submitted by an agent, the Requester must set forth the necessity to submit the Request by an agent, and evidence must be attached that the agent has been duly authorized by the Requester.

The Requester hereby covenants that all the matters described herein are true and correct.

[THE END]