

Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2008)

1. Introduction

(1) Outline of the OBJECTION PROCEDURES¹

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

- (i) To investigate JBIC’s compliance/non-compliance with the GUIDELINES FOR CONFIRMATION OF ENVIRONMENTAL AND SOCIAL CONSIDERATIONS² (“the Guidelines”) and to report the findings to President & CEO, JBIC; and
- (ii) To promote a dialogue between the parties concerned and, based on their consent, 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 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 concerned parties.

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 of the previous fiscal year in line with the Objection Procedures.

(3) JBIC’s Institutional Reform

On October 1, 2008, the International Financial Operations (IFOs) of the Japan Bank for International Cooperation³ (JBIC), National Life Finance Corporation (NLFC), Agriculture, Forestry and Fisheries Finance Corporation (AFC) and Japan Finance Corporation for Small and Medium Enterprise (JASME) merged to become a new policy-based financing institution, the Japan Finance Corporation (JFC).

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>

³ The Overseas Economic Cooperation Operations (OECOs) of JBIC have been succeeded by the new Japan International Cooperation Agency (new JICA) on October 1, 2008.

2. Appointment of new Examiners for Environmental Guidelines

In October 2008, JBIC appointed two new Examiners for Environmental Guidelines. Their profiles are below:

Dr. Seiji IKKATAI (in the photo, left)

Professor, the Research Center for Advanced Policy Studies, Institute of Economic Research, Kyoto University. He graduated from the Faculty of Economics, Tokyo University in 1974, and joined the Environmental Agency (now Ministry of the Environment). Since 1992, he has held positions such as Director, Planning and Research Office, Planning and Coordination Bureau; Director, Environment Planning Division, Planning and Coordination Bureau; Director, Water Quality Management Division, Water Quality Bureau; Director, Planning Division, Global Environment Bureau; Director, Policy Coordination/Evaluation and Public Relations, Minister's Secretariat; and Head, Kobe Customs (Ministry of Finance). He has served in his present position since 2005. In 2008, he received his Ph.D. in Economics from Kyoto University.

At the Institute of Economic Research at Kyoto University, he is in charge of lecturing on environmental policy and related subjects. His recent topics of research include: economic aspects of global warming issues and countermeasures, integration of the economy and the environment, as well as emission trading. His recent publications include: “Teitansoka Jidai no Nihon no Sentaku- Kankyo Keizai Seisaku to Kigyuu Keiei (Japan's Choice in the Era of Low Carbon Society - Environmental /Economic Policy and Corporate Management)” (in Japanese, Iwanami Shoten, 2008), and “Nyumon Sustainability Gaku (Introduction to Sustainability Studies)” (in Japanese, Diamond Inc., 2008).

Dr. Yoshinobu KITAMURA (in the photo, right)

Professor, Faculty of Law, Sophia University and Professor, Sophia Law School. He completed his LL.M. at the Graduate School of Law, Kobe University in 1986, and also his M.A. in Jurisprudence and Social Policy at the University of California, Berkeley in 1988. In 1991, he received his J.S.D. from Kobe University. In 1989, he became a Lecturer at the Faculty of Economics at Yokohama National University and was later promoted to Associate Professor. He has served at his present position since 2001. He majored in administrative law and environmental law. Since 2004, he has also served as the examiner for the new Japanese Bar Exam (environmental law).

His recent research interests include: regulatory enforcement of administrative laws, and law and policy of local governments. His recent publications include: “Jichitai Kankyo-gyousei-ho, Dai-go-han (Local Environmental Law, 5th ed.)” (in Japanese, Dai-ichi Hoki Co. Ltd., 2009), “Gendai Kankyoho-no Shoso (Contemporary

Environmental Law)” (in Japanese, the Society for the Promotion of the Open University of Japan, 2009), “Pureppu Kankyo-ho (Preparation for Environmental Law)” (in Japanese, Koubundou Publishers Inc., 2006), and “Gyoseiho-no Jikkosei Kakuho (Regulation and Compliance)” (in Japanese, Yuhikaku, 2008).



3. Report on Activities in FY2008

(1) Objections

There were no objections submitted during the course of FY2008 (from April 2008 to March 2009).

(2) Public Relations Activities

Details of the Objection 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 Objection 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 Objection Procedures, several workshops about the Objection Procedures were conducted during FY2008 for middle-class management officers of recipient countries, etc.

(3) 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 Objection Procedures. The World Bank's Inspection Panel, established in 1993, has received more than 50 objections, and thus has experience and know-how regarding the processes 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 2008, the fifth meeting was held by the African Development Bank (AfDB) in Tunis, Tunisia with the participation of several international financial institutions and bilateral institutions, including JBIC Examiners.⁴

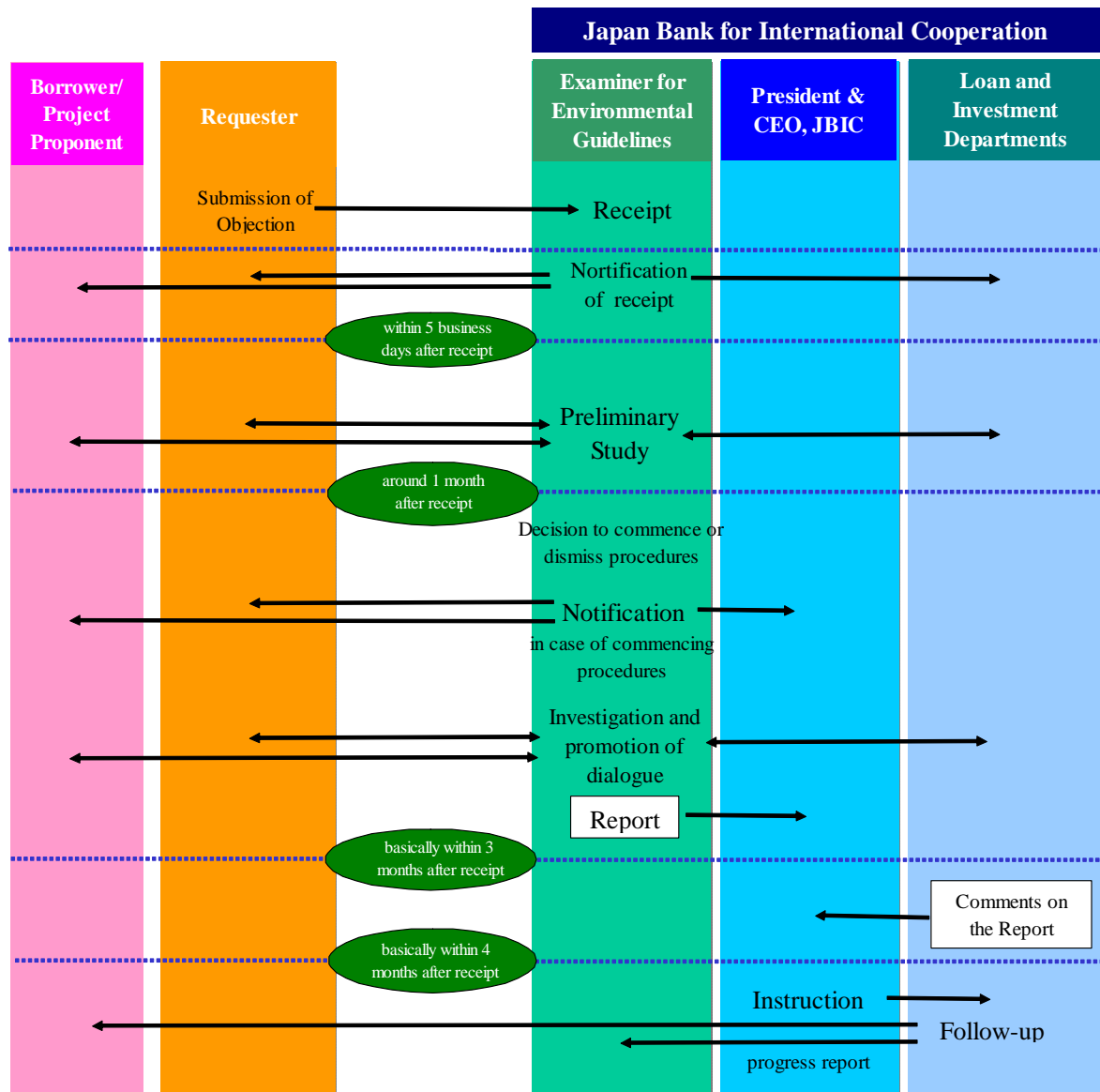
At this meeting, some organizations reported several issues related to accountability mechanisms, including methods of self-estimation adopted by each organization, the importance of monitoring, means of outreaching, and some other specific activities and cases given by organizations, with active discussions and opinion exchanges among participants.

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

⁴ Participants: World Bank Inspection Panel, IFC Compliance Advisor/Ombudsman, EBRD Independent Recourse Mechanism, ADB Accountability Mechanism, IDB Independent Investigation Mechanism, AfDB Independent Review Mechanism, EIB Complaints Mechanism, OPIC Office of Accountability, NEXI Examiner for Guidelines on Environmental and Social Consideration in Trade Insurance, and JBIC Examiner for Environmental Guidelines.

4. Objection Procedures

(1) Flow of the Objection Procedures



(2) Submission of Request

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

(postal address) 4-1, Ohtemachi 1-chome, Chiyoda-ku,

Tokyo 100-8144 JAPAN

Examiner for Environmental Guidelines,
Japan Bank for International Cooperation

(fax number) +81-3-5218-3946

(e-mail) sinsayaku@jbic.go.jp

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

[THE END]

(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]