

## **Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY 2004)**

### **1. Introduction**

#### **(1) Outlines of the OBJECTION PROCEDURES<sup>1</sup>**

The Objection Procedures stipulates its objectives as follows:

- (i) To investigate JBIC's compliance/non-compliance with the new GUIDELINES FOR CONFIRMATION OF ENVIRONMENTAL AND SOCIAL CONSIDERATIONS<sup>2</sup> ("the Guidelines") and to report the findings to the Governor; and
- (ii) To promote a dialogue between the parties concerned, and based on their consent, to quickly solve specific conflicts over environmental or social issues related to JBIC-financed projects, which emerged due to non-compliance with the Guidelines.

The Objection Procedures calls for the Examiners to conduct an independent and impartial investigation when objections are submitted by the people affected, such as local residents, in line with the Objection Procedures, and to report the results to the Governor of JBIC. The Examiners also contribute to the speedy solution of problems by fostering dialogue between concerned parties.

The establishment of such procedures by a bilateral export credit or aid agency is groundbreaking by international standards, and goes beyond even 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.

---

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

<http://www.jbic.go.jp/english/environ/pdf/objection.pdf>

<sup>2</sup> JBIC Guidelines for Confirmation of Environmental and Social Considerations

<http://www.jbic.go.jp/english/environ/guide/eguide/index.php>

## **2. Report on the Activities in FY 2004**

### **(1) Objections**

There was no objection submitted during the course of fiscal year of 2004 (from April 2004 to March 2005).

### **(2) Public Relations Activities**

On the JBIC website, details of the Objection Procedures are explained both in English and Japanese. The backgrounds of the two Examiners are also introduced on the website. The printed full text of the Objection Procedures in English and Japanese are available at the Head Office, Osaka Branch, and overseas Representative Offices.

### **(3) Internal Workshop**

The Examiners conducted several workshops about the Objection Procedures for JBIC staff in the loan departments during May and June, 2004 in order to enhance their proper understandings of the Objection Procedures.

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

Multilateral Development Banks such as the World Bank have, over the last decade, successively introduced accountability mechanisms, which are similar to the JBIC's Objection Procedures. The World Bank's Inspection Panel, established in 1993, has received more than 30 objections, and thus has experiences and know-how of the processes compared to the international and bilateral financial institutions. The World Bank's Inspection Panel held the first Meeting of Accountability Mechanisms in International Financial Institutions and Related Institutions<sup>3</sup> on May 2004, at World Bank's headquarters in Washington D.C. with the participation of several international financial institutions and bilateral institutions. The JBIC Examiner also participated in the Meeting of Accountability Mechanisms and introduced the JBIC's Objection Procedures for discussion and opinion exchanges.

In addition, the International Finance Corporation (IFC), a member of the World Bank Group, appointed a Compliance Adviser/Ombudsman (CAO) in 1999, who focuses on problem solving through promotion of dialogues among stakeholders and who has worked for more than 30 projects. The JBIC Examiners, with JBIC's other concerned departments and Nippon Export and Investment Insurance's Examiner, received a visit from the IFC-CAO on March, 2005, and had discussions about the

---

<sup>3</sup> Participants: World Bank Inspection Panel, IFC Compliance Adviser/Ombudsman, ADB Compliance Review Panel, Inter-American Development Bank Independent Investigation Mechanism, European Bank for Reconstruction and Development Independent Recourse Mechanism, Export Development Canada Compliance Officer, JBIC Examiner for Environmental Guidelines, IMF Office of Independent Evaluation, North American Commission on Environmental Cooperation

IFC-CAO's recent activities and experience.

Furthermore, in 2003, the Asian Development Bank (ADB) reviewed and revised its accountability mechanism introduced in 1995. The JBIC Examiner also gathered the related information about the background of the ADB's review/revisions and the new accountability mechanism when the chair of the ADB Compliance Review Panel visited JBIC on June 2004. The JBIC Examiner also explained the JBIC's Objection Procedures for the mutual understanding.

Through the above activities, the 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.

#### **(5) Explanation to the Export Credit Agencies in Other Countries**

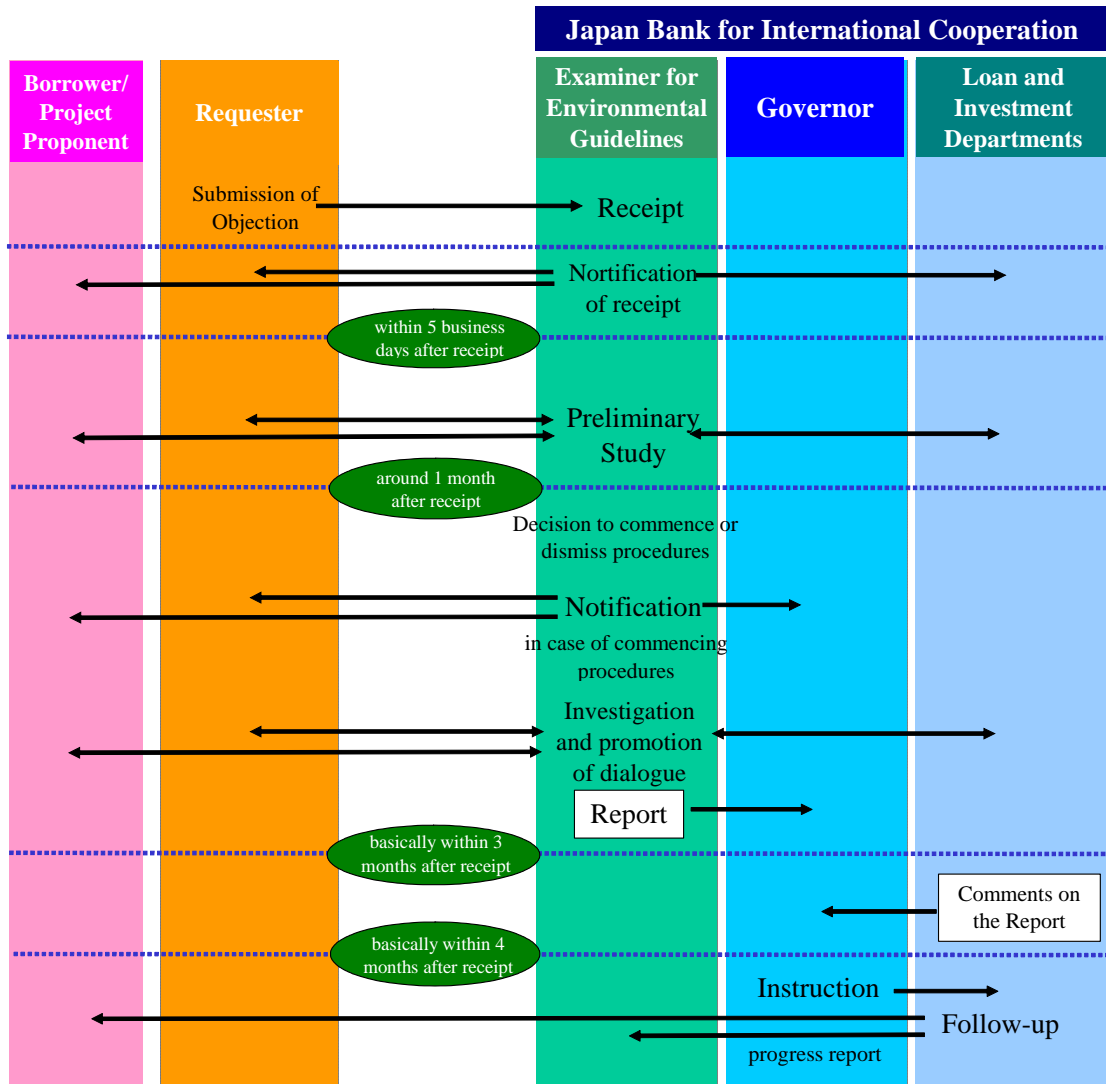
Currently, only a few export credit agencies (ECA) in other countries have introduced the accountability mechanisms. The JBIC Examiner for Environmental Guidelines participated in the Fourth Workshop on the Environment<sup>4</sup> held by the United Nations Environmental Programme (UNEP) on September 2004, and presented the JBIC's Objection Procedures to provide an example for the other ECAs' examination into the introduction of an accountability mechanism.

---

<sup>4</sup> Participants: UNEP(auaspice), SACE(host: Italian export credit insurance and reinsurance company ), Export-Import Bank of the USA, UK's Export Credits Guarantee Department, German Hermes Krediversicherungs AG, Netherlands Ministry of Finance, CESCE (an export credit agency of Spain), Nippon Export and Investment Insurance, etc.

### 3. 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](mailto:sinsayaku@jbic.go.jp)

(website) <http://www.jbic.go.jp/english/environ/examiner/index.php>

[THE END]

(Sample)

Request

Date: \_\_\_\_\_

To: The Examiner for Environmental Guidelines  
Japan Bank for International Cooperation

(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 the Bank's non-compliance with the Guidelines with regard to the Project which the Bank provides funding

(E) Relevant provisions of the Guidelines considered by the Requester to have been violated by the Bank and the facts constituting the Bank's non-compliance alleged by the Requester

(F) Causal nexus between the Bank'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 the Bank'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]