

## **Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2013)**

### **1. Introduction**

#### **(1) Outline of the Objection Procedures<sup>1</sup>**

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

- (i) To investigate facts as to whether or not Japan Bank for International Cooperation (JBIC) has complied with the Guidelines for Confirmation of Environmental and Social Considerations<sup>2</sup> (“Guidelines”), and to report the results to the Executive Committee 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 the Executive Committee. 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.

### **2. Report on Activities in FY2013**

#### **(1) Objections**

Concerning the objections raised to the Panama Canal Expansion Project, with respect to making a decision to commence the Procedures was suspended in FY2011, JBIC Examiners decided to release the suspension and to commence the Procedures as of December 27<sup>th</sup>, 2013, as the proceedings at the other international and regional organizations were expected to be completed in due course. Thereafter, JBIC Examiners

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

<http://www.jbic.go.jp/wp-content/uploads/page/2013/08/757/en-disagree-2012.pdf>

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

[http://www.jbic.go.jp/wp-content/uploads/page/efforts/environment/confirm\\_en/pdf\\_01.pdf](http://www.jbic.go.jp/wp-content/uploads/page/efforts/environment/confirm_en/pdf_01.pdf)

mediated dialogues for purposes of encouraging the dialogues between both parties at the venue in Panama, conducted the investigations on the facts of JBIC's compliance or non-compliance with the Guidelines and on substantial damages actually incurred or likely to be incurred in the future, and reported the result thereof to the Executive Committee of JBIC as of March 11<sup>th</sup>, 2014. The report was publicized on the website after confirming that it does not contain any individual, corporate or other information the disclosure of which is not required by statute.<sup>3</sup>

On the other hand, there were no objections submitted during the course of FY2013 (April 2013 to March 2014).

## **(2) 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, West Japan Office and at overseas Representative Offices.

## **(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 twenty years similar to JBIC's Procedures. The World Bank's Inspection Panel, established in 1993, has received more than 90 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 (IFIs) and Related Institutions and held annual meetings from 2004. In September 2013, the tenth meeting was held by the World Bank in Washington, D.C., with the participation of several international financial institutions and bilateral institutions.<sup>4</sup>

At this meeting, some organizations reported several issues related to accountability mechanisms, including "Making Independent Accountability Mechanisms (IAMs) more accessible", "Establishing causal linkages between 'harm' and non-compliance", "Cooperation and coordination among IAMs / Criteria for participation in the IAMs network", "Review and/or evaluation of IAMs", "Working with the executive directors",

<sup>3</sup> Examination Report on Objection to Panama Canal Expansion Project

[http://www.jbic.go.jp/wp-content/uploads/page/2013/12/20711/20140502ExaminationReport\\_en.pdf](http://www.jbic.go.jp/wp-content/uploads/page/2013/12/20711/20140502ExaminationReport_en.pdf)

<sup>4</sup> 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, CAB Audit, Compliance and Investigations, EIB Complaints Mechanism, OPIC Office of Accountability, Canada Office of the Extractive Sector Corporate Social Responsibility Counsellor, UNDP Office of Audit Investigations, BSTDB Internal Audit Department, NIB Office of Chief Compliance Officer, NEXI Examiner for Guidelines on Environmental and Social Considerations in Trade Insurance, and JBIC Examiner for Environmental Guidelines.

“Compliance review, mediation and advisory work” and “Accountability of IFIs to respect, protect and fulfill human rights”. Other specific activities and cases were also presented by organizations, and there were active discussions and opinion exchanges among participants.<sup>5</sup>

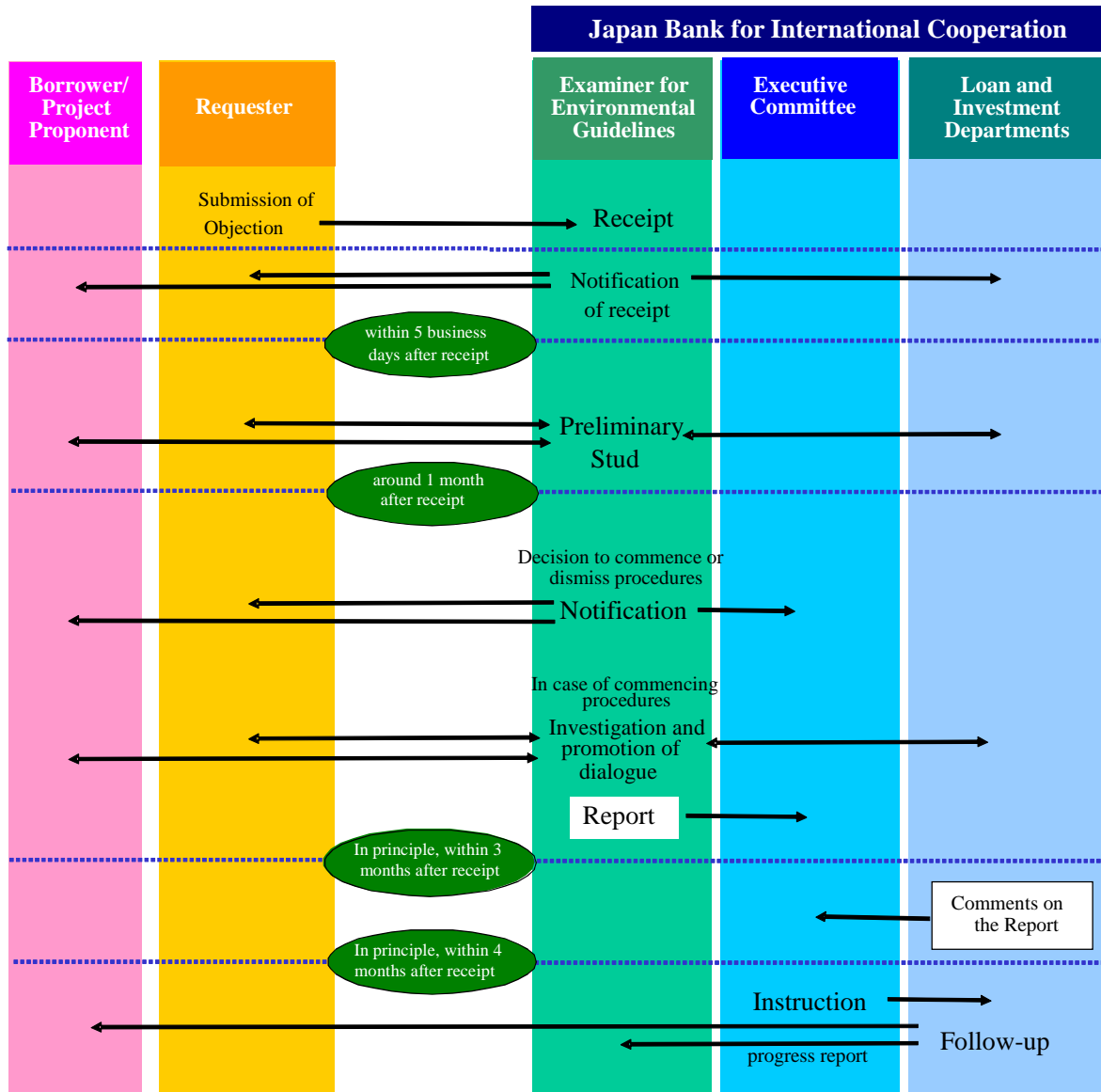
Through these activities, JBIC Examiners have proactively exchanged views on how to ensure the fair and appropriate implementation of the processes of the Procedures, including desirable procedural steps in practice.

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<sup>5</sup> Concurrently, an event related to this IAMs meeting was carried out. At the event, some members of the IAMs meeting, 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](mailto:sinsayaku@jbic.go.jp)

Website: <http://www.jbic.go.jp/en/efforts/environment/disagree/procedure>

(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 undisclosed 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]