

Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2015)

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 with the Guidelines for Confirmation of Environmental and Social Considerations² (“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 affected parties, 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 dialogues between the parties concerned.

JBIC established the Procedures in October 2003 in advance of other export credit agencies and prior to the adaptation of the “common approach” environmental review recommendations adopted by the Organization for Economic Co-operation and Development (OECD).

(2) Publication of the Annual Report

The Annual Report details 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/wp-content/uploads/page/2014/10/36453/en_disagree-2015.pdf

² JBIC Guidelines for Confirmation of Environmental and Social Considerations

http://www.jbic.go.jp/wp-content/uploads/page/2013/08/36442/Environmental_Guidelines2015.pdf

2. Report on Activities in FY2015

(1) Objections

There were no objections submitted during the course of FY2015 (April 2015 to March 2015).

(2) Comments Concerning Doubt of JBIC's Non-Compliance with the Environmental Guidelines

In July 2015, the Examiners received a comment concerning doubt of JBIC's non-compliance with the Guidelines regarding the Central Java Coal-fired Power Plant Project in Indonesia, for which JBIC had been considering financing. The Examiners, in line with the Procedures, transferred the comment to the Operational Department ("Department"), requesting to respond appropriately to the case, in accordance with the Guidelines. The Examiners later received from the Department a report on the results of local investigations, including hearings with the objector. Upon receiving the report, the Examiners requested the Department to pay utmost attention to ensure sufficient dialogue and communication between the project proponent and the parties concerned, including the objectors, and subsequently notified thereof to the objector in writing.

(3) Enforcement of the Revised Environmental Guidelines

In view of revising the Environmental Guidelines enforced in October 2009, JBIC held consultation forums from December 2013 and invited public comment on the draft of the revised Guidelines (from November to December 2014). In January 2015, the current Environmental Guidelines were established, and the necessary revisions were made to the Objection Procedures accordingly. The revised Guidelines and Procedures have been in effect since April 2015.

(4) 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.

(5) Communication with the World Bank Inspection Panel and Other Institutions

Multilateral development banks such as the World Bank have successively introduced objection procedures, similar to JBIC's Procedures, as well as examining bodies which act in accordance with the procedures, over more than the last twenty years. Their names vary by agency, but they are recently becoming generally known as Independent Accountability Mechanisms (IAMs). The World Bank's Inspection Panel, established in 1993, has received a total of over 100 objections, and thus has the longest history among all accountability mechanisms of various organizations.

The World Bank's Inspection Panel has also held the Annual Meeting of the Independent Accountability Mechanisms Network ("IAMs Network") since 2004, as an opportunity for various international financial institutions and bilateral institutions to share information and views. The twelfth such meeting was held on December 7 and 8 in Paris, hosted by the European Investment Bank (EIB). The IAMs Network is steadily expanding, with the new participation of the French Development Agency (AFD) as well as the Japan International Cooperation Agency (JICA) scheduled to join from next year³.

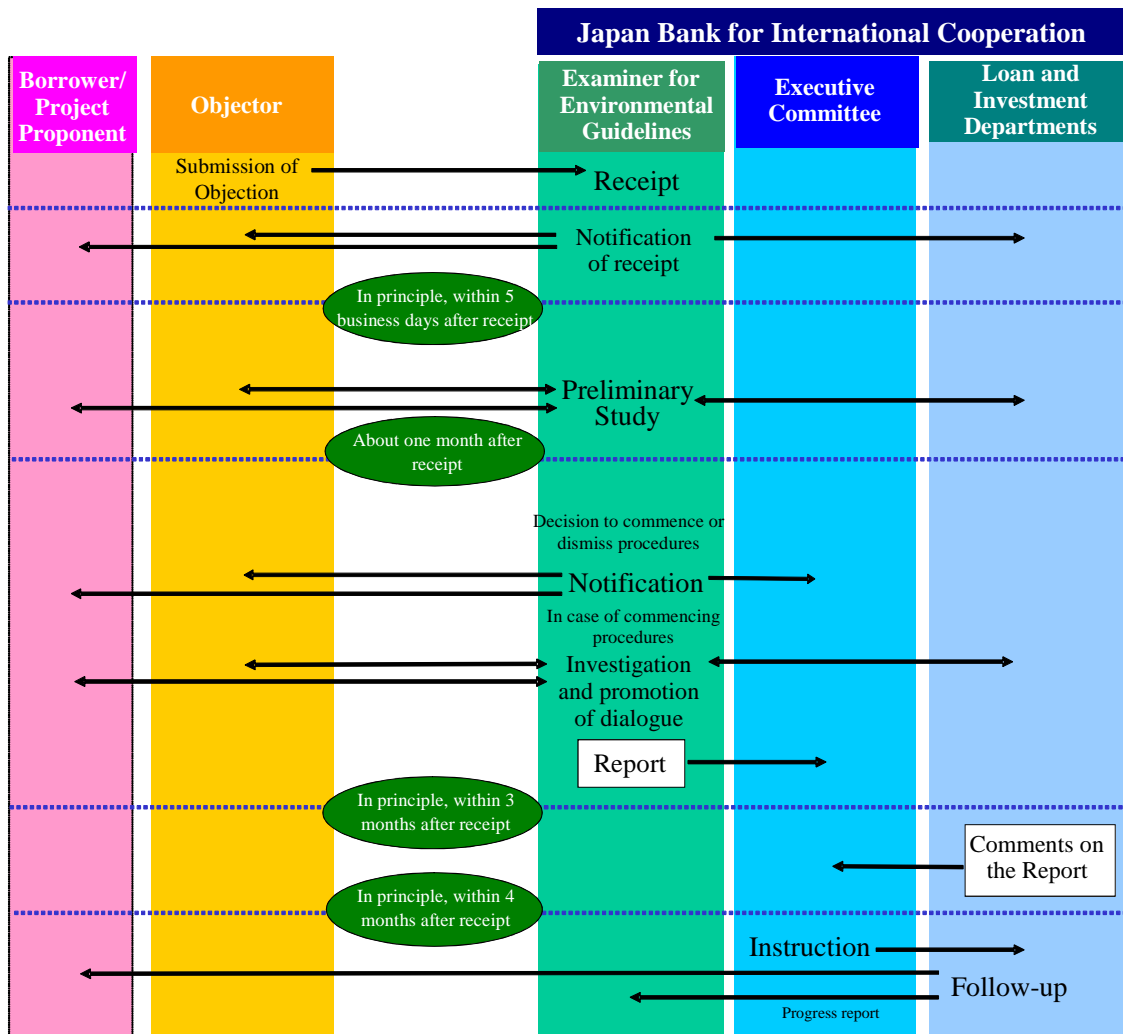
The meeting consisted of an activity report from each IAM and sessions on various themes. JBIC reported on the receipt of comments concerning doubt of JBIC's non-compliance with the Environmental Guidelines and also on the enforcement of the revised Guidelines. Each IAM presented the number of objections received, the sectors in which the objections were raised, and the countries where such projects are located. In the theme-specific sessions, discussions were held on: recent reviews of various policies; the point at issue regarding the draft for introducing a common index to evaluate the IAMs' efficiency; external communication strategy to promote understanding of the roles and functions of the IAMs by potential objectors and the wider public; direction concerning the implementation of subgroups and subcommittee meetings according to the attributes and characteristics of the ever-increasing IAMs Network members (whether it is an international financial institution or bilateral institution, varying geographical coverage, and others); and views and handlings of inspection report on each IAM which were created by international environmental NGOs.

Through these activities, the JBIC Examiners have proactively exchanged information and views on how to ensure fair and appropriate implementation of the processes of the Procedures, as well as on the important points in practice.

³ Participants: World Bank Inspection Panel, IFC Compliance Advisor/Ombudsman, EBRD Project Complaint Mechanism, ADB Compliance Review Panel, IDB Independent Consultation and Investigation Mechanism, AfDB Internal Auditor, EIB Complaints Mechanism, UNDP Social and Environmental Compliance Unit, NIB Chief Compliance Officer, Secretary General of European Ombudsman, FMO Internal Audit, DEG Complaints Officer, BSTDB Internal Audit Department, NEXI Examiner for Guidelines on Environmental and Social Considerations in Trade Insurance, and JBIC Examiners for Environmental Guidelines

Objection Procedures

(1) Flow of the Objection Procedures



(2) Submission of Objection

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/efforts/environment/disagree/procedure>

(Sample)

Objection

Date: _____

To: The Examiner for Environmental Guidelines

Japan Bank for International Cooperation (“JBIC”)

(A) Names of Objector:

(B) Place of contact of the Objector:

[if the Objector 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 Objector or substantial damage likely to be incurred by the Objector in the future as a result of JBIC’s non-compliance with the Guidelines with regard to the Project for which JBIC provides financing

(E) Relevant provisions of the Guidelines considered by the Objector to have been violated by JBIC and the facts constituting JBIC’s non-compliance alleged by the Objector

(F) Causal nexus between JBIC’s non-compliance with the Guidelines and the substantial damage

(G) Resolution desired by the Objector

(H) Facts concerning the Objector’s communication with the Project Proponent

(I) Facts concerning the Objector’s communication with JBIC’s Operational Department

(J) If an Objection is submitted by an agent, the Objector must set forth the necessity to submit the Objection by an agent, and evidence must be attached that the agent has been duly authorized by the Objector.

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

[THE END]