

Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2019)

1. Introduction

(1) Outline of the Objection Procedures¹

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

- (i) To investigate the 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 (the “Guidelines”) and the Guidelines for Confirmation of Information Disclosure Considerations for Nuclear Sector Projects³ (the “Information Disclosure Guidelines”), and to report the results to the Executive Committee to ensure that JBIC complies with the two aforementioned Guidelines; and
- (ii) To promote dialogue between the parties concerned and based on their consent, to quickly solve the specific conflicts concerning environmental or social issues related to JBIC-financed projects that have emerged due to non-compliance with the two Guidelines.

The Procedures call for the Examiners for Environmental Guidelines (the “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 solution of problems by promoting dialogues between the parties concerned.

JBIC established this system of the Procedures in October 2003 prior to the adaptation of the “common approach” environmental review recommendations adopted by the Organisation for Economic Co-operation and Development (OECD).

The original Procedures set forth in October 2003, as well as the version revised by JBIC as the international wing of the Japan Finance Corporation, were superseded by new Procedures established by JBIC in July 2012. Later, in January 2015, JBIC revised the new Procedures, mainly to reflect the revision of the Guidelines. In addition, with JBIC’s institutional change in June 2017, the text of the Procedures was partly revised again. Furthermore, due to the establishment of the Information Disclosure Guidelines in December 2017, additional revisions

¹ Summary of Procedures to Submit Objections concerning JBIC Guidelines for Confirmation of Environmental and Social Considerations and Guidelines for Confirmation of Information Disclosure Considerations for Nuclear Sector Projects

https://www.jbic.go.jp/en/business-areas/environment/disagree/images/procedure_04_en.pdf

² JBIC Guidelines for Confirmation of Environmental and Social Considerations

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

³ Guidelines for Confirmation of Information Disclosure Considerations for Nuclear Sector Projects

<https://www.jbic.go.jp/en/business-areas/environment/images/consultation02.pdf>

to the text of the Procedures were made in the same month.

(2) Publication of the Annual Report

The Annual Report details the Examiners' activities during the previous fiscal year in line with the Procedures.

2. Report on Activities in FY2019

(1) Objection Submissions and Preparation/Publication of Reports

There were no objections submitted during the course of FY2019 (April 2019 to March 2020).

The case for which the review process was not completed during FY2019 was the Cirebon Coal-fired Power Plant Unit 2 project in West Java, Indonesia, for which the objection had been received two fiscal years earlier. The process had been temporarily suspended due to ongoing related local court proceedings in Indonesia during this fiscal year.

(2) Public Relations Activities

Details of the Procedures are explained in both English and Japanese on the JBIC website. The backgrounds of two Examiners are also introduced. Further, the full texts of the Procedures in English and Japanese are available on the website so as to raise awareness of the existence of this mechanism.

(3) Communication with Objection Mechanisms of International Financial Institutions and Other Institutions

Multilateral development banks such as the World Bank have successively introduced objection procedures, as well as examining bodies which act in accordance with the procedures, over the last twenty-plus years. Their names vary by agency, but they are recently becoming generally known as Independent Accountability Mechanisms ("IAMs").

Such IAMs of international finance and bilateral institutions have formed the so-called Independent Accountability Mechanisms Network (the "IAMs Network"). The IAMs Network has held an Annual Meeting since 2004 as an opportunity for those various institutions to share information and views. The sixteenth meeting was hosted by the World Bank Inspection Panel and was held between June 24 and 28, 2019 in Abidjan, Cote d'Ivoire, with our secretariat in

attendance.⁴ The IAMs Network has been expanding and continues to receive participation requests from new international and bilateral institutions.

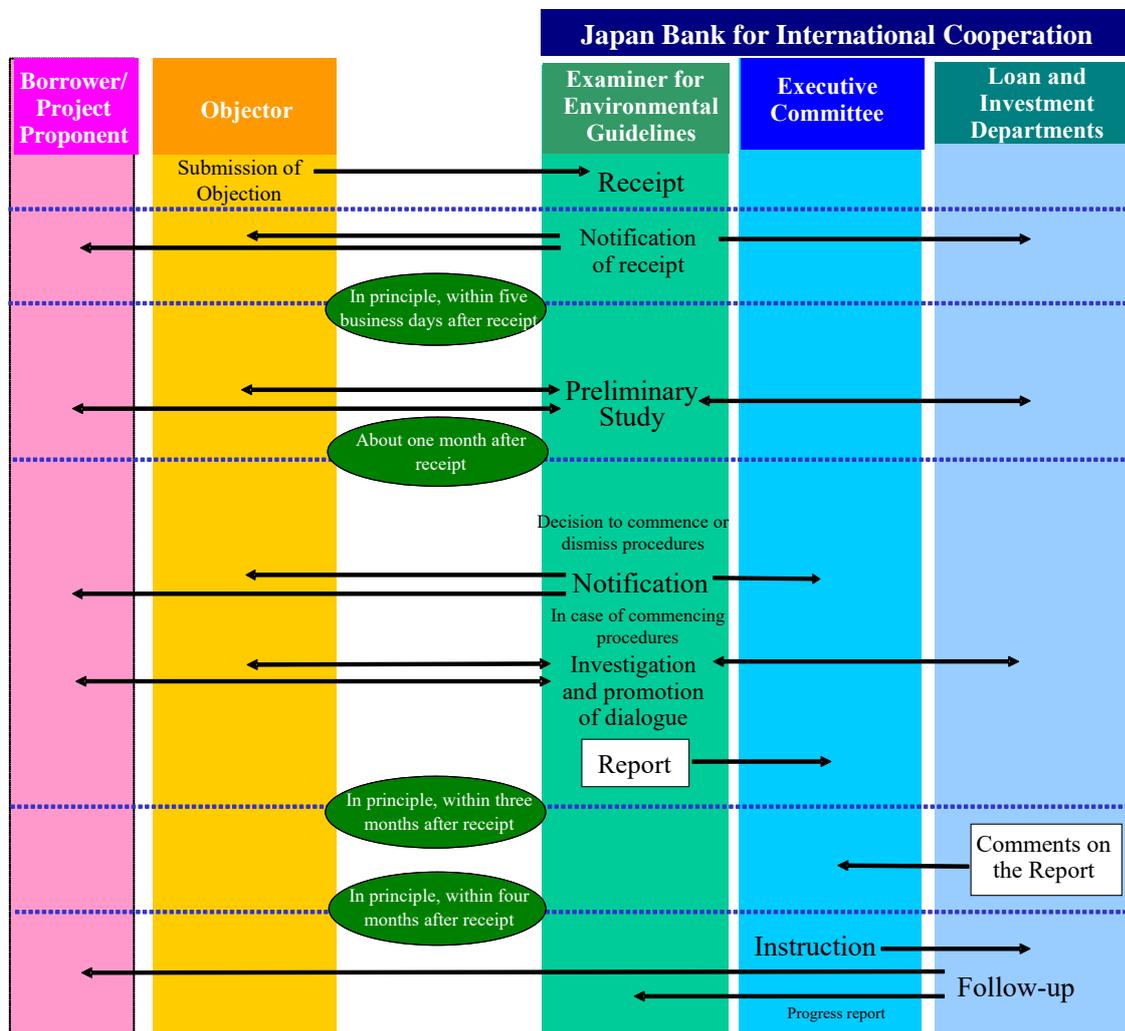
The 2019 meeting consisted of an activity report from each IAM and sessions on various themes. Each IAM presented information including the number of objections received, the specifics of several cases and their outreach activities. In theme-specific sessions, discussions were held on topics such as: the challenges in FCV (fragile, conflicted and violent) countries, IAMs and their governance, good practice in conflict resolution, and compliance review processes.

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

⁴ Participants (excluding JBIC): World Bank Inspection Panel, IFC/MIGA Compliance Advisor/Ombudsman, EBRD Project Complaint Mechanism, ADB Accountability Mechanism, IDB Independent Consultation and Investigation Mechanism, AfDB Independent Review Mechanism, UNDP Social and Environmental Compliance Unit, GCF Independent Redress Mechanism, AIIB Project-affected People's Mechanism, EIB Complaints Mechanism, OPIC Office of Accountability, DEG/FMO/Proparco Independent Complaints Mechanism, AFD Environmental and Social Complaints Mechanism and NEXI Objection Procedures on Environmental Guidelines

Objection Procedures

(1) Flow of Objection Procedures



(2) Submission of an 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: <https://www.jbic.go.jp/en/business-areas/environment/disagree/procedure.html>

(Sample)

Objection

Date: _____

To: The Examiner for Environmental Guidelines
Japan Bank for International Cooperation (“JBIC”)

- (A) Names of the 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 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 via an agent, and evidence confirming that the agent has been duly authorized by the Objector must be attached.

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

[THE END]