

JAPAN BANK FOR INTERNATIONAL COOPERATION  
GUIDELINES FOR CONFIRMATION OF  
ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

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JAPAN BANK FOR INTERNATIONAL COOPERATION

## Preface

Japan Bank for International Cooperation (hereinafter referred to as “JBIC”) has revised the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations” (hereinafter referred to as the “Guidelines”) enforced on April 1, 2012, and made these Guidelines public. The Guidelines has the objective of contributing to the sound development of the international economy and society through environmental and social considerations in all projects (hereinafter referred to as “project” or “projects”) subject to lending, equity participation, and guarantee (hereinafter collectively referred to as “funding”) by JBIC. Environmental and social considerations refer not only to the natural environment, but also to social issues such as involuntary resettlement and respect for the human rights of indigenous peoples (hereinafter collectively referred to as “environment”).

The Guidelines has been formulated on the basis of, among others, discussions in the international framework on environmental and social considerations and human rights, and discussions held at the Organisation for Economic Co-Operation and Development (OECD) such as the “Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence”(hereinafter referred to as the “Common Approaches”), which requires consistency between public export credit policies and environmental conservation policies. The Guidelines will be reviewed as necessary in future, taking into account future progress made in these areas.

While encouraging appropriate environmental and social considerations in projects subject to funding, JBIC will provide active support based on policies of the Japanese government for projects that promote environmental conservation, and for projects that contribute to the preservation of the global environment, such as reduction of greenhouse gas emissions.

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NB 1: Part 2 is inseparable from Part 1.

NB 2: If there is any ambiguity in English version and/or any inconsistency with Japanese version, the Japanese version prevails.

[Part 1]

1. JBIC's Basic Policies Regarding Confirmation of Environmental and Social Considerations

JBIC confirms, through various measures, that project proponents undertake appropriate environmental and social considerations so as to prevent or minimize the impact on the environment and local communities, and not bring about unacceptable impacts which may be caused by the projects for which JBIC provides funding.

In its confirmation of environmental and social considerations, JBIC places importance on dialogue with the host country (including local governments), borrowers, and project proponents (hereinafter collectively referred to as “borrowers and related parties”) regarding environmental and social considerations, while respecting the sovereignty of the host country. JBIC also takes note of the importance of transparent and accountable processes, as well as the participation in those processes of stakeholders in the project concerned, including local residents and local NGOs affected by the project (hereinafter referred to as “stakeholders”). JBIC makes the environmental and social considerations required for projects to receive JBIC’s funding clear in the Guidelines, and confirms those environmental and social considerations.

In making its funding decisions, JBIC conducts screenings and reviews of environmental and social considerations to confirm that the requirements are duly satisfied.

JBIC makes the utmost efforts to ensure that appropriate environmental and social considerations are undertaken in accordance with the nature of the project for which JBIC provides funding as stated in the Guidelines, through such means as agreements for funding (hereinafter referred to as “loan agreements”).

Over a certain period of time following funding decisions, JBIC will if necessary monitor or take steps to encourage borrowers and related parties to ensure that appropriate environmental and social considerations are

undertaken.

In cases where it is involved in the planning and preparatory stages of a project, JBIC will take steps to encourage borrowers and related parties to undertake appropriate environmental and social considerations from the earliest stage possible.

JBIC consistently strives to improve its organizational structure and operational capacity to achieve sufficient and effective confirmation of environmental and social considerations.

## 2. Objectives and Meaning of the Guidelines

The objective of the Guidelines is to encourage project proponents to implement appropriate environmental and social considerations in accordance with the Guidelines by making their procedures (both before and after funding decisions are made), criteria for decision-making, and requirements which projects subject to funding are to meet clear. In so doing, JBIC endeavors to ensure transparency, predictability, and accountability in its confirmation of environmental and social considerations.

## 3. Basic Principles Regarding Confirmation of Environmental and Social Considerations

### (1) Parties Responsible for Environmental and Social Considerations

It is the project proponents that are responsible for environmental and social considerations for the project, and JBIC confirms such considerations in light of the Guidelines.

JBIC encourages project proponents of projects seeking funding from JBIC to undertake appropriate environmental and social considerations in accordance with the nature of the project, based on the principles listed in Section 1 of Part 2 of the Guidelines. JBIC also promotes awareness of the OECD Guidelines for Multinational Enterprises among appropriate parties such as project proponents.

## (2) Confirmation of Environmental and Social Considerations by JBIC

For confirmation of environmental and social considerations, JBIC undertakes:

- (a) classification of the project into one of the categories listed in Section 4.(2) of Part 1 (hereinafter referred to as “screening”);
- (b) reviews on environmental and social considerations when making a decision on funding, to confirm that the requirements are duly satisfied (hereinafter referred to as “environmental reviews”); and
- (c) monitoring and follow-up after the decision on funding has been made (hereinafter, such monitoring and follow-up processes will be simply referred to as “monitoring”).

JBIC conducts screening and environmental reviews of projects for which it intends to provide funding before making a decision.

In light of the Guidelines and taking into account the characteristics of the project and the particular circumstances of the country and its location, JBIC confirms in its environmental reviews: 1) whether appropriate and sufficient consideration is given to environmental and social issues before the implementation of the project, 2) whether appropriate environmental and social considerations can be expected after JBIC makes decisions on the funding of the project in light of such factors as the state of preparation by the project proponent and host government, their experience, operational capacity, and the state of securing funds, as well as external factors of instability.

JBIC recognizes that confirmation of environmental and social considerations is an important aspect in the risk assessment for the funding, and carries out environmental reviews in strict conjunction with its financial, economic, and technical review of projects.

JBIC undertakes efficient pre-funding screening and environmental reviews through, amongst other means, the appropriate use of “screening forms” and “environmental checklists”, and places emphasis on post-funding monitoring.

### (3) Information Required for Confirmation of Environmental and Social Considerations

JBIC conducts screening and environmental reviews based principally on information provided by borrowers and related parties (in the case of export finance, including exporters). JBIC may request additional information from the borrowers and related parties when necessary.

JBIC recognizes the importance of information provided not only by the borrowers and related parties, but also by governments and organizations of host countries, co-financiers and stakeholders, and utilizes such information in its screening and environmental reviews.

With respect to projects that are co-financed by other financial institution(s), JBIC endeavors to exchange information on environmental and social considerations with the other institution(s) concerned.

For Category A projects (see Section 4.(2) of Part 1), JBIC checks the extent of stakeholder participation and information disclosure being undertaken for the project, in accordance with the environmental impact assessment systems of the host country.

JBIC may conduct surveys of proposed project sites by dispatching environmental experts to confirm environmental and social considerations if necessary.

JBIC may, if necessary, seek and make use of opinions from outside experts.

### (4) Standards for Confirmation of Appropriateness of Environmental and Social Considerations

JBIC in principle conducts environmental reviews to confirm that projects meet the requirements for environmental and social considerations stated in the Guidelines in the following ways:

- 1) JBIC ascertains whether a project complies with environmental laws and

standards of the host nation and local governments concerned, as well as whether it conforms to their environmental policies and plans.

2) JBIC also ascertains, regarding environmental and social considerations, whether the project meets following standards.

- World Bank Safeguard Policies or International Finance Corporation (hereinafter referred to as “IFC”) Performance Standards
- Notwithstanding the above, IFC Performance Standards in the cases of (i) limited recourse or non-recourse project finance projects, (ii) structured financing transactions that share characteristics with project finance, (iii) other financial institutions who are forming a significant part of the project applying IFC Performance Standards, and (iv) other projects recognized as appropriate.

In addition, if there is a relevant section of the Environmental, Health, and Safety Guidelines (EHS Guidelines) of the World Bank Group, JBIC will confirm whether the projects meet that section.

3) Where appropriate, JBIC also refers to standards established by other international financial institutions, other internationally recognized standards, and/or standards or good practices established by developed countries such as Japan as benchmarks. If JBIC believes the environmental and social considerations of the project substantially deviate from these standards and good practices, it will consult with the host governments (including local governments), borrowers, and project proponents to confirm the background and rationale for such deviation, and the measures to rectify it if necessary.

JBIC takes note of the importance of good governance with regard to projects for the sake of appropriate environmental and social considerations.

#### (5) Influence on Funding Decisions

JBIC takes the outcomes of its environmental reviews into account for decisions on funding. If, as a result of its environmental reviews, JBIC judges

that appropriate environmental and social considerations are not ensured, it will encourage the project proponent through the borrower to undertake appropriate environmental and social considerations. If appropriate environmental and social considerations are not undertaken, there may be cases where funding is not extended.

#### 4. Procedures for Confirmation of Environmental and Social Considerations

##### (1) Screening

Before starting environmental reviews of a project, JBIC classifies the project into one of the following categories. The subsequent environmental reviews will then be conducted in accordance with the procedures for that category.

JBIC requests the borrowers and related parties to submit the necessary information promptly, so that it may perform the screening process at an early stage.

During the screening process, JBIC classifies each project in terms of its potential environmental impact, taking into account such factors as: the sector and scale of the project, the substance, degree and uncertainty of its potential environmental impact, and the environmental and social context of the proposed project site and surrounding areas.

Even after the screening based on the information provided by the borrowers and related parties is performed, JBIC may revise the categorization when necessary, e.g., in cases where environmental impact requiring consideration comes to light.

##### (2) Categorization

Category A: A proposed project is classified as Category A if it is likely to have a significant adverse impact on the environment. A project with complicated impact or impact which is difficult to assess due to lack of precedence is also classified as Category A. The impact of Category A projects may affect

an area broader than the sites or facilities subject to physical construction. Category A, in principle, includes projects in sensitive sectors or with sensitive characteristics, and projects located in or near sensitive areas. An illustrative list of sensitive sectors, characteristics, and areas is given in Section 3 of Part 2.

**Category B:** A proposed project is classified as Category B if its potential adverse environmental impact is less adverse than that of Category A projects. Typically, its impacts are site-specific, few if any are irreversible, and mitigation measures are more readily available.

**Category C:** A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impact. Projects that correspond to one of the following are, in principle, classified as Category C, with the exception of projects with sensitive characteristics and projects located in sensitive areas as indicated in Section 3 of Part 2:

- 1) Projects for which the JBIC's share is not above SDR 10 million;
- 2) Sectors or projects in which no particular environmental impact is normally expected (e.g., support for international balance of payments, maintenance of existing facilities, acquisition of rights and interests without additional capital investment); or
- 3) Cases in which involvement in the project of the borrower or JBIC is minor, such as the export/import or lease of machinery or equipment that is not connected with a particular project, and where there would be little reasonable significance in JBIC's conducting an environmental reviews.

**Category FI:** A proposed project is classified as Category FI if it satisfies all of the following: JBIC's funding of the project is provided to a financial intermediary etc.; the selection and

assessment of the actual sub-projects is substantially undertaken by such an institution after JBIC's approval of the funding, and therefore the sub-projects cannot be specified prior to JBIC's approval of funding (or assessment of the project); and those sub-projects are expected to have potential impact on the environment.

### (3) Environmental Reviews for Each Category

After the screening process, JBIC carries out environmental reviews according to the following procedures for each category.

Category A: JBIC examines the potential negative and positive environmental impact of projects. JBIC evaluates measures necessary to prevent, minimize, mitigate, or compensate for potential negative impact, and measures to improve the environment if such measures are available. For category A projects, borrowers, and related parties must submit following documents and JBIC conducts environmental reviews based on, and after the receipts of these documents:

- 1) Environmental and Social Impact Assessment reports (see Section 2 of Part 2) and environmental permit certificates issued by the host governments or other appropriate authority (hereinafter collectively referred to as "ESIA reports and permit certificates")
- 2) For projects that will result in large-scale involuntary resettlement or loss of means of livelihood, resettlement action plans, including where necessary, livelihood restoration plans, (see Sub-section 7 of Section 1. (Involuntary Resettlement) of Part 2)
- 3) For projects that will require measures for indigenous peoples, indigenous people's plans (see sub-section 8 of Section 1. (Indigenous Peoples) of Part 2)

- Category B: The scope of environmental reviews for Category B projects may vary from project to project, but it is narrower than that for Category A projects. The environmental reviews for Category B projects are similar to those of Category A projects in that JBIC examines the potential negative and positive environmental impact of the projects, and evaluate measures necessary to prevent, minimize, mitigate, or compensate for the potential negative impact. As part of the review process, JBIC also conducts measures to improve the environment if any such measures are available. JBIC undertakes its environmental reviews based on information provided by borrowers and related parties. Where an environment impact assessment procedure has been conducted, JBIC may refer to the ESIA reports and permit certificates. However, this is not a mandatory requirement.
- Category C: C: For projects in this category, JBIC does not undertake environmental reviews beyond screening.
- Category FI: JBIC checks through the financial intermediary etc. to see whether appropriate environmental and social considerations as stated in the Guidelines are ensured for projects in this category.

In conducting the aforementioned reviews, JBIC refers to the corresponding environmental checklists for each sector, and also considers where appropriate any statements or reports made publicly available by Japan's national contact point on the OECD Guidelines for Multinational Enterprises.

#### (4) Monitoring

For category A and B projects, JBIC in principle confirms through the borrower the results of monitoring undertaken by the project proponents on the items which have a significant environmental impact over a certain period of time. This is in order to confirm the project proponents' undertaking of

environmental and social considerations.

The information necessary for monitoring needs to be supplied by the borrowers and related parties by appropriate means. When necessary, JBIC may also conduct its own investigations.

When third parties point out in concrete terms that environmental and social considerations are not being fully undertaken, JBIC forwards such claims to the borrowers and, if necessary, encourages them to request the project proponents to take appropriate action. In the project proponents' response to the claim, JBIC confirms that they carry out the investigation of the specific claim, the examination of countermeasures, and their incorporation into the project plans through transparent and accountable processes.

Also, when necessary, JBIC may request the cooperation of the borrowers and related parties in conducting its own investigations to confirm the state of undertaking of environmental and social considerations.

If JBIC judges that there is a need for improvement in the situation with respect to environmental and social considerations, it may ask the project proponent to take appropriate actions through the borrower and in accordance with the loan agreement. If the response of the project proponent is inappropriate, JBIC may consider taking its own actions in accordance with the loan agreement, including the suspension of the disbursement.

## 5. Disclosure of Information Regarding Confirmation of Environmental and Social Considerations by JBIC

### (1) Basic Principles

JBIC welcomes information provided by concerned organizations and stakeholders, so that it may consider a diverse range of opinions and information in its environmental reviews and monitoring.

In order to encourage concerned organizations and stakeholders to provide information to JBIC at an early stage, and to ensure its accountability and transparency in the environmental reviews process, JBIC makes important information on environmental reviews in ways appropriate to the nature of the

project publicly available, while the environmental reviews are in progress. JBIC may also, when necessary, seek the opinions of concerned organizations and stakeholders.

In addition to the aforementioned principles, if requested by third parties, JBIC will provide them with information regarding environmental and social considerations within its capacity to do so.

JBIC pays due consideration to the confidentiality of the commercial and other matters of the borrowers and related parties, and observes concurrently the principles of information disclosure and such confidentiality. As part of this effort, JBIC encourages the borrower and related parties that the environment-related documents subject to disclosure to be submitted by them do not include commercially confidential information. In addition, the information whose disclosure is prohibited by the agreement between JBIC and the borrower is disclosed at the consent of the borrower or at the request of the law.

## (2) Timing of Disclosure and Content of Disclosed Information

### 1) Overview

JBIC discloses information in principle as set out below, depending on the nature of the project. Such disclosure is made, in principle, on JBIC's website as soon as it obtains the information.

Through environmental reviews and monitoring, JBIC endeavors to achieve further disclosure of information by encouraging project proponents through the borrowers and related parties, in compliance with the relevant laws and ordinances in the host country.

### 2) Information disclosure at environmental reviews

JBIC discloses the following information before decision-making on funding. It endeavors to make such disclosure well in advance of the decision-making.

- Upon completion of the screening, the name, country, location, outline, and sector of the project, as well as its category classification and the reasons for such classification;
- For Category A and Category B projects, the status of acquirement of the ESIA reports and permit certificates, and such ESIA reports and permit certificates obtained from the borrowers and related parties for confirming environmental and social considerations.
- The status of acquirement of documents other than ESIA reports and permit certificates, and such documents obtained from the borrowers and related parties for confirming environment and social considerations if such documents are publicly available in the host country.

### 3) Information disclosure after signing of loan agreements

JBIC discloses the following information after signing the loan agreements:

- For Categories A, B, and FI projects, results of its environmental reviews
- For Categories A and B projects, results of the monitoring conducted by the project proponents to the extent they are made public in the host country.

## 6. Decision-making and Loan Agreements

### (1) Decision-making

JBIC takes the results of environmental reviews into account for its decision-making on funding. If JBIC considers that a project is likely to have an adverse impact on the environment due to inappropriate environmental and social considerations, it will encourage through the borrower the project proponent to undertake appropriate environmental and social considerations. If appropriate environmental and social considerations are not undertaken, JBIC may decide not to extend funding.

Notwithstanding other provisions in the Guidelines, however, in exceptional cases where, given the nature of the project, documents necessary for environmental reviews are not available at the time that a decision on the funding must be made, JBIC may make a decision on the funding on the condition that it will undertake the environmental reviews after decision making. In this case, JBIC makes confirmation and disclosure with respect to environmental and social considerations prior to the decision-making to the extent possible, in addition to appropriately applying the policies and procedures of the Guidelines upon environmental reviews. JBIC suspends disbursement of the loan and declares all the outstanding principal at the time, with interest and any other charges thereon, to be payable immediately, if it is unable to confirm the appropriate environmental and social considerations upon environmental reviews after decision making.

## (2) Loan agreements

JBIC will make its utmost effort to ensure the following requirements in its loan agreements or their attached documents, when it considers it necessary to ensure undertaking of environmental and social considerations by borrowers and related parties:

- The borrower shall report to JBIC on measures and monitoring related to environmental and social considerations undertaken by the project proponents. If, due to unforeseen circumstances, there is a possibility that the requirements for environmental and social consideration may not be fulfilled, the borrower shall report it to JBIC;
- If any problems regarding environmental and social considerations arise, the borrower shall make efforts for discussions to be held between the project proponents and project stakeholders;
- When project proponents and the host governments (including local governments) other than the borrower have important roles to play in terms of environmental and social considerations, the borrower shall endeavor to include these parties in entering into agreements; and

If it becomes evident that the borrower and the project proponents have not met

the conditions required by JBIC under the Guidelines, or if it becomes apparent that the project will have an adverse impact on the environment after funding is extended due to the borrower's or related parties' failure to supply correct information during the environmental reviews process, JBIC may, in accordance with the loan agreement, suspend the disbursement or declare all the outstanding principal at the time, with interest and any other charges thereon, to be payable immediately.

7. Ensuring Appropriate Implementation of and Compliance with the Guidelines

JBIC endeavors to ensure appropriate implementation of the policies and procedures stated in the Guidelines and compliance with the Guidelines. In order to ensure its compliance with the Guidelines, JBIC accepts objections regarding its non-compliance with the Guidelines and takes necessary actions.

8. Application and Review of the Guidelines

After five (5) years have passed since the enforcement of the Guidelines, JBIC verifies how the Guidelines was implemented for those five years, and based on its findings, conducts a comprehensive review of the Guidelines. JBIC may revise the Guidelines as needed. When making revisions, JBIC will seek the opinions of, among others, the Japanese government, the governments of developing countries, Japanese companies, experts, and NGOs, while maintaining transparency in the process. Notwithstanding the foregoing, revisions of the Guidelines could be made when JBIC deems it necessary to keep them in line with the Common Approaches, provided that JBIC shall secure the transparency of the process.

These Guidelines will come into force from April 1, 2015.

[Part 2]

## 1. Environmental and Social Considerations Required for Funded Projects

In principle, appropriate environmental and social considerations shall be undertaken, according to the nature of the project, based on the following:

### (1) Underlying Principles

- Environmental impact which may be caused by a project must be assessed and examined from the earliest planning stage possible. Alternative proposals or mitigation measures to prevent or minimize adverse impact must be examined, and the findings of such examinations shall be incorporated into the project plan:
- Such examination must include analysis of environmental costs and benefits in as quantitative terms as possible and be conducted in close harmony with economic, financial, institutional, social, and technical analysis of the project;
- The findings of the examination of environmental and social considerations, including alternative proposals and mitigation measures, must be recorded as independent documents or as a part of other documents. Environmental and Social Impact Assessment (ESIA) reports must be produced for projects in which particularly large adverse environmental impact is expected; and
- For projects that have particularly significant adverse impact or are highly contentious, a committee of experts may be formed to seek their opinions as appropriate, in order to increase accountability.

### (2) Examination of Measures

- Multiple alternative proposals must be examined to prevent or minimize adverse impact and to choose a better project option in terms of environmental and social considerations. In examination of measures,

priority is to be given to the prevention of environmental impact, and when this is not possible, minimizing and mitigating impact must be considered next. Compensation measures must be examined only when impact cannot be prevented by any of the aforementioned measures; and

- Appropriate follow-up plans and systems, such as monitoring plans and environmental management plans, must be prepared; and costs of implementing such plans and systems, and financial methods to fund such costs, must be determined. Plans for projects with particularly large potential adverse impact must be accompanied by detailed environmental management plans.

### (3) Scope of Impact to be Examined

- Environmental impact to be investigated and examined includes impact on human health and safety as well as the natural environment through air, water, soil, waste, accidents, water usage, ecosystem and biota; social concerns including respect for human rights, such as involuntary resettlement, indigenous people, cultural heritage, landscape, gender, children's rights, communicable diseases such as HIV/AIDS, working conditions (including occupational safety) and community health, safety, and security; and impact that may lead to trans-boundary and global environmental problems. While air could include greenhouse gases (GHG), specific requirements for environmental and social considerations on this issue are to be made based on the Common Approaches; and
- In addition to the direct and immediate impact of projects, derivative, secondary, and cumulative impact and impact of associated facilities are also to be examined and investigated to a reasonable extent. It is also desirable to consider the impact throughout the life cycle of the project.

### (4) Compliance with Laws, Standards and Plans

- Projects must comply with laws and regulations, and standards relating to environmental and social considerations established by the governments governing the project site (including both national and local governments). They must also conform to policies and plans relating to

environmental and social considerations established by the governments governing the project site; and

- Projects must, in principle, be undertaken outside protected areas that are specifically designated by laws or regulations of the government for the conservation of nature or cultural heritage (excluding projects whose primary objectives are to promote the protection or restoration of such designated areas). Projects shall not impose significant adverse impact on designated conservation areas.

#### (5) Social Acceptability and Social Impacts

- Projects must be adequately coordinated so that they are accepted in a manner that is socially appropriate to the country and locality in which the project is planned. For projects with a potentially large environmental impact, sufficient consultations with stakeholders, such as local residents, must be conducted via disclosure of information from an early stage where alternative proposals for the project plans may be examined. The outcome of such consultations must be incorporated into the contents of the project plan; and
- Appropriate consideration must be given to vulnerable social groups, such as women, children, the elderly, the poor, and ethnic minorities, all of whom are susceptible to environmental and social impact and who may have little access to the decision-making process within society.

#### (6) Ecosystem and Biota

- Projects must not involve significant conversion or significant degradation of critical natural habitats including critical forests areas
- In case the project involves the significant conversion or degradation of natural habitats including natural forests, priority is to be given to the prevention of environmental impact. When this is not possible, appropriate mitigation measures must be established. Evaluation of the impact on natural habitats by the project and consideration for the offset measures should be based on expert opinion.
- Illegal logging of forests must be avoided. For the projects involving commercial harvest, the project proponents are encouraged to obtain

certifications by forest certification systems as a way to ensure prevention of illegal logging.

(7) Involuntary Resettlement

- Involuntary resettlement and loss of means of livelihood are to be avoided where feasible, exploring all viable alternatives. When, after such examination, it is proved unfeasible, effective measures to minimize impact and to compensate for losses must be agreed upon with the people who will be affected;
- People to be resettled involuntarily and people whose means of livelihood will be hindered or lost must be sufficiently compensated and supported by the project proponents, etc. in a timely manner. Prior compensation, at full replacement cost, must be provided as much as possible.
- The project proponents, etc. must make efforts to enable the people affected by the project to improve their standard of living, income opportunities, and production levels, or at least to restore them to pre-project levels. Measures to achieve this may include: providing land and monetary compensation for losses (to cover land and property losses), supporting the means for an alternative sustainable livelihood, and providing the expenses necessary for relocation and the re-establishment of a community at relocation sites;
- Appropriate participation by the people affected and their communities must be promoted in planning, implementation, and monitoring of involuntary resettlement action plans and measures against the loss of their means of livelihood. In addition, appropriate and accessible grievance mechanisms must be established for the people affected and their communities; and
- For projects that will result in large-scale involuntary resettlement or large-scale loss of means of livelihood, resettlement action plans must be prepared and made available to the public. In preparing a resettlement action plan, consultations must be made with the affected people and their communities based on sufficient information made available to them in advance. When consultations are held, explanations must be given in a form, manner, and language that are understandable to the affected

people. It is desirable that the resettlement action plan include elements required in the standard of the international financial institution which JBIC benchmarks in its environmental reviews.

#### (8) Indigenous Peoples

- Any adverse impact a project may have on indigenous peoples is to be avoided where feasible, exploring all viable alternatives. When, after such examination, it is proved unfeasible, effective measures to minimize impact and to compensate for their losses must be taken for indigenous peoples;
- When a project may have adverse impact on indigenous peoples' various rights in relation to land and resources, such rights must be respected in accordance with the spirit of the relevant international declarations and treaties, and free, prior, and informed consents must be obtained; and
- Measures for the affected indigenous peoples must be prepared as an indigenous peoples plan (which may constitute a part of other documents for environmental and social considerations) and made public in compliance with the relevant laws and regulations in the host country. In preparing the indigenous peoples plan, consultations must be made with the affected indigenous peoples based on sufficient information made available to them in advance. When consultations are held, it is desirable that explanations be given in a form, manner, and language that are understandable to indigenous peoples. It is desirable that the indigenous peoples plan include the elements required in the standard of the international financial institution which JBIC benchmarks in its environmental reviews.

#### (9) Monitoring

- It is desirable that, after a project begins, the project proponents monitor:  
(i) whether any situations that were unforeseeable before the project began have arisen, (ii) the implementation situation and the effectiveness of the mitigation measures prepared in advance, and that they then take appropriate measures based on the results of such monitoring;

- In cases where sufficient monitoring is deemed essential for the achievement of appropriate environmental and social considerations, such as the projects for which mitigation measures should be implemented while monitoring their effectiveness, project proponents must ensure that project plans include monitoring plans which are feasible;
- It is desirable that project proponents make the results of the monitoring process available to project stakeholders; and
- When third parties point out, in concrete terms, that environmental and social considerations are not being fully undertaken, it is desirable that a forum for discussion and examination of countermeasures be established based on sufficient information disclosure and with the participation of stakeholders in the relevant project. It is also desirable that an agreement be reached on procedures to be adopted with a view to resolving the problem.

## 2. ESIA Reports for Category A Projects

The following conditions are met in principle:

- When assessment procedures already exist in host countries, and projects are subject to such procedures, borrowers and related parties must officially complete those procedures and obtain the approval of the government of the host country;
- ESIA reports (which may be referred to differently in different systems) must be written in the official language or a language widely used in the country where the project is to be implemented. When explaining projects to local residents, written materials must be provided in a language and form understandable to them;
- ESIA reports are required to be made available in the country and to the local residents where the project is to be implemented. The ESIA reports are required to be available at all times for perusal by project stakeholders such as local residents, and copying of the reports permitted;
- In preparing ESIA reports, consultation with stakeholders, such as local residents, must take place after sufficient information has been disclosed. Records, etc. of such consultations must be prepared;
- Consultations with relevant stakeholders, such as local residents, should take place if necessary throughout the preparation and implementation stages of a project. Having consultations is highly desirable, especially when the items to be considered in the ESIA are being selected, and when the draft report is being prepared; and
- It is desirable that ESIA reports cover the items stipulated in the Common Approaches.

### 3. Illustrative List of Sensitive Sectors, Characteristics and Areas

#### 1 . Sensitive Sectors

Large-scale projects in the following sectors:

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Cement plants (including a greenfield quarry)
- (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (12) Thermal power
- (13) Nuclear power
- (14) Hydropower, dams and reservoirs
- (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (16) Roads, railways and bridges
- (17) Airports
- (18) Ports and harbors
- (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (20) Waste management and disposal
- (21) Agriculture involving large-scale land-clearing or irrigation
- (22) Forestry
- (23) Tourism (construction of hotels, etc.)

#### 2 . Sensitive Characteristics

- (1) Large-scale involuntary resettlement or large-scale loss of means of

livelihood

- (2) Large-scale groundwater pumping
- (3) Large-scale land reclamation, land development and land-clearing
- (4) Large-scale logging

### 3 . Sensitive Areas

Projects in the following areas or their vicinity:

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples and cultural heritage, etc. designated by national governments)
- (2) Areas considered to require careful consideration by the country or locality

#### < Natural Environment >

- a) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- b) Habitats with important ecological value (including coral reefs, mangrove wetlands and tidal flats)
- c) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- d) Areas in danger of large-scale salt accumulation or soil erosion
- e) Areas with a remarkable tendency towards desertification

#### < Social Environment >

- a) Areas with unique archeological, historical or cultural value
- b) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life (including areas which are used for cultural and spiritual purposes) and other areas with special social value

#### 4. Information Required for Screening Process

The following data shall be used in principle to conduct screening. When necessary, additional data may be required depending on the nature of the project and peripheral circumstances, etc.

(Items to be Listed)

##### 1 . Permits and Approvals

- Need for permits and approvals for Environmental Impact Assessment
- Status of acquisition of permits and approvals for EIA
- Date of issue of permits and approvals for EIA
- Names of organizations issuing permits and approvals for EIA
- Status of acquisition of other environmental permits and approvals

##### 2 . Project Details

- Location of project site
- Project Description
- Relevant sector
- Scale, etc. of project

##### 3 . Environmental Impact

- Degree of environmental impact
- Existence of sensitive areas
- Existence of sensitive characteristics
- Scale of sensitive characteristics

## 5. Categories and Items in Checklist

The checklists include the following categories and items related to the environment. When using these checklists, the appropriate items should be checked based on the sector and nature of the project.

(Category)	(Item)
1. Permits and approvals, explanations	<ul style="list-style-type: none"><li>• EIA and environmental permits</li><li>• Explanations to the Public</li></ul>
2. Anti-pollution measures	<ul style="list-style-type: none"><li>• Air quality</li><li>• Water quality</li><li>• Waste</li><li>• Soil contamination</li><li>• Noise and vibration</li><li>• Subsidence</li><li>• Odor</li><li>• Sediment</li></ul>
3. 3. Natural environment	<ul style="list-style-type: none"><li>• Protected areas</li><li>• Ecosystem and biota</li><li>• Hydrology</li><li>• Topography and geology</li><li>• Management of abandoned sites</li></ul>
4. Social environment	<ul style="list-style-type: none"><li>• Resettlement</li><li>• Living and livelihood</li><li>• Heritage</li><li>• Landscape</li><li>• Ethnic minorities and indigenous peoples</li><li>• Working conditions (including occupational safety)</li><li>• Community health, safety, and security</li></ul>
5. Other	<ul style="list-style-type: none"><li>• Impact during construction</li><li>• Accident prevention measures</li><li>• Monitoring</li></ul>

## 6. Items Requiring Monitoring

Items requiring monitoring shall be decided according to the sector and nature of the project, with reference to the following list of items.

(Items)

1. Permits and approvals, explanations
  - Response to matters indicated by authorities
2. Anti-pollution measures
  - Air quality: SO<sub>2</sub>, NO<sub>2</sub>, CO, O<sub>2</sub>, soot and dust, suspended particulate matter, coarse particulate, etc.
  - Water quality: pH, SS (suspended solids), BOD (biochemical oxygen demand) / COD (chemical oxygen demand), DO (dissolved oxygen), total nitrogen, total phosphorus, heavy metals, hydrocarbons, phenols, cyanogen compounds, mineral oils, water temperature, etc.
  - Waste
  - Noise and vibration
  - Odors
3. Natural environment
  - Ecosystems: Impact on valuable species, countermeasures, etc
4. Social environment
  - Resettlement
  - Living and livelihood

NB: For air and water quality, specify whether you are monitoring emission levels or environmental levels. Also, it should be noted that the items which require monitoring will differ depending on whether the impact in question will occur during construction or during the operation of the project.