

Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2006)

1. Introduction

(1) Outline of the OBJECTION PROCEDURES¹

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

- (i) To investigate JBIC’s compliance/non-compliance with the GUIDELINES FOR CONFIRMATION OF ENVIRONMENTAL AND SOCIAL CONSIDERATIONS² (“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 have emerged due to non-compliance with the Guidelines.

The Procedures call 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 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 the concerned parties.

The Procedures were established in October 2003 in advance of other export credit agencies or bilateral aid agencies and go 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.

¹ 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>

² JBIC Guidelines for Confirmation of Environmental and Social Considerations

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

2. Report on Activities in FY2006

(1) Objections

There were no objections submitted during the course of FY2006 (from April 2006 to March 2007).

(2) Public Relations Activities

Details of the Objection 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 Objection Procedures in English and Japanese is available at the Head Office, Osaka Branch, and at the overseas Representative Offices.

In order to enhance proper understanding of the Objection Procedures, in 2006 the Examiners conducted several workshops about the Objection Procedures for JBIC staff in the loan departments and for the middle-class management officers of the recipient countries.

(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 decade which are similar to JBIC's Objection Procedures. The World Bank's Inspection Panel, established in 1993, has received more than 40 objections, and thus has experience and know-how regarding the processes compared to other international and bilateral financial institutions.

The World Bank's Inspection Panel initiated the Meeting of Accountability Mechanisms in International Financial Institutions and Related Institutions and held annual meetings from 2004. In May 2006, the third meeting was held by the Commission for Environmental Cooperation (CEC) headquarters in Montreal, Canada with the participation of several international financial institutions and bilateral institutions.³

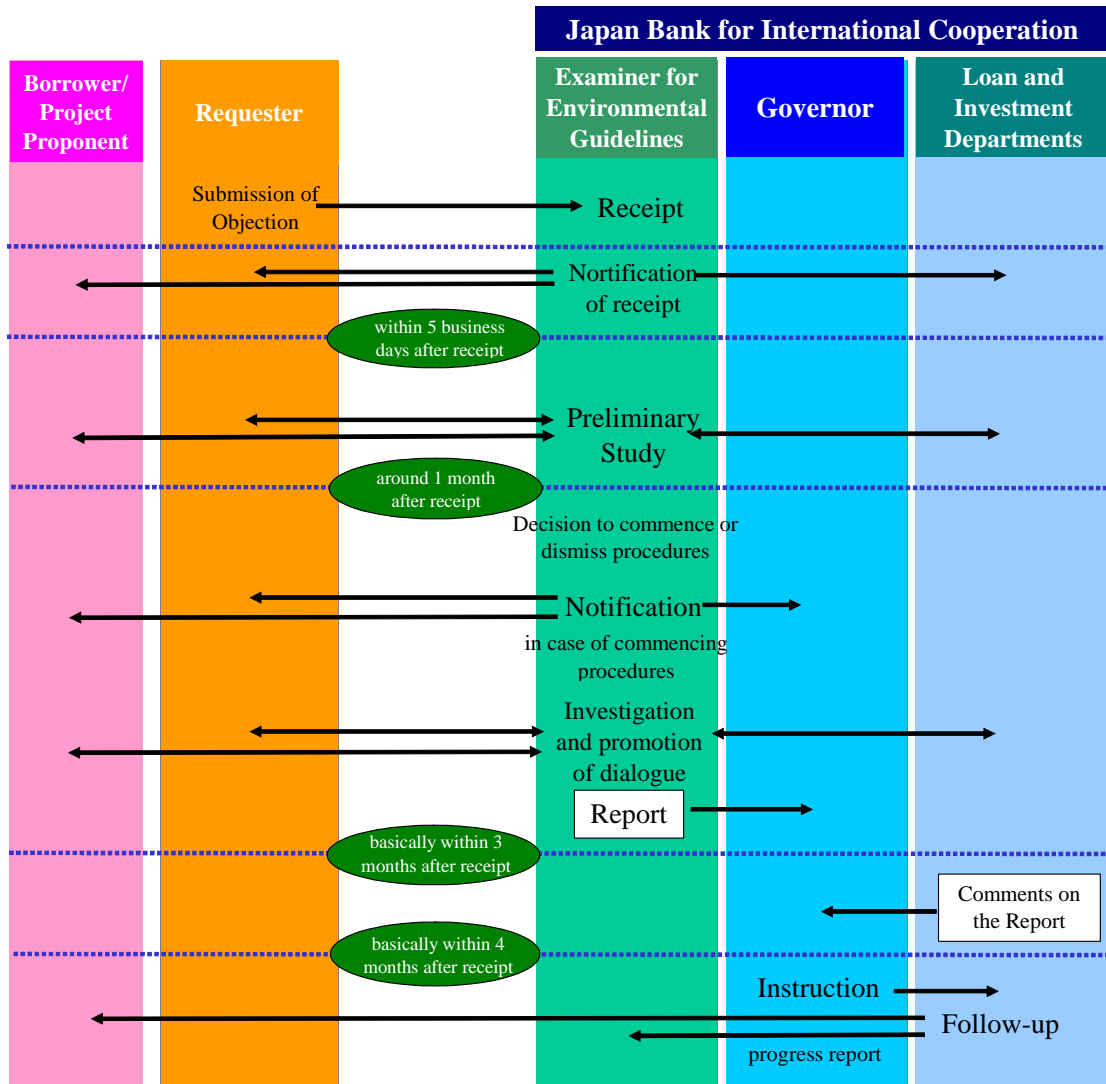
At this meeting, some organizations reported case studies based on their experiences, with active discussion and opinion exchanges among participants.

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.

³ Participants: World Bank Inspection Panel, IFC Compliance Advisor/Ombudsman, IDB Independent Investigation Mechanism, ADB Compliance Review Panel and Special Project Facilitator, AFDB Compliance Review and Mediation Unit, NEXI Examiner for Environmental Guidelines Evaluation, Commission for Environmental Cooperation, Export Development Canada Compliance Officer, OPIC Office of Accountability, EBRD Compliance Officer, and JBIC Examiner for Environmental Guidelines Evaluation.

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

(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]