

## **Annual Report of the EXAMINERS FOR ENVIRONMENTAL GUIDELINES (FY2014)**

### **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 the 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 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 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 Annual Report**

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

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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/2014/10/36453/en\\_disagree-2015.pdf](http://www.jbic.go.jp/wp-content/uploads/page/2014/10/36453/en_disagree-2015.pdf)

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

[http://www.jbic.go.jp/wp-content/uploads/page/2013/08/36442/Environemtal\\_Guidelines2015.pdf](http://www.jbic.go.jp/wp-content/uploads/page/2013/08/36442/Environemtal_Guidelines2015.pdf)

## **2. Report on Activities in FY2014**

### **(1) Objections**

There were no objections submitted during the course of FY2014 (April 2014 to March 2015).

### **(2) Reappointment of Examiners for Environmental Guidelines**

In October 2014, JBIC reappointed Professor Takashi Hayase of Nagasaki University and Professor Hiroshi Matsuo of Keio University, who took office as Examiners in October 2012. They will serve for two more years, until September 2016.

### **(3) Revision of the 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, both to be enforced in 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 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 more than 90 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 unofficial meeting for various international financial institutions and bilateral institutions to share information and views. The eleventh such meeting was held on September 18 and 19 in London, hosted by the European Bank for Reconstruction and Development (EBRD)<sup>3</sup>.

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<sup>3</sup> 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, CAB Audit, Compliance and Investigations, EIB Complaints Mechanism, UNDP Social and Environmental Compliance Unit, BSTDB Internal Audit Department, NIB Office of Chief Compliance Officer, Secretary General of European Ombudsman, FMO Internal Audit, DEG Corporate Strategy and Development Policy Department, FMO & DEG Independent External Panel, NEXI Examiner for Guidelines on Environmental and Social Considerations in Trade Insurance, and JBIC Examiners for Environmental Guidelines

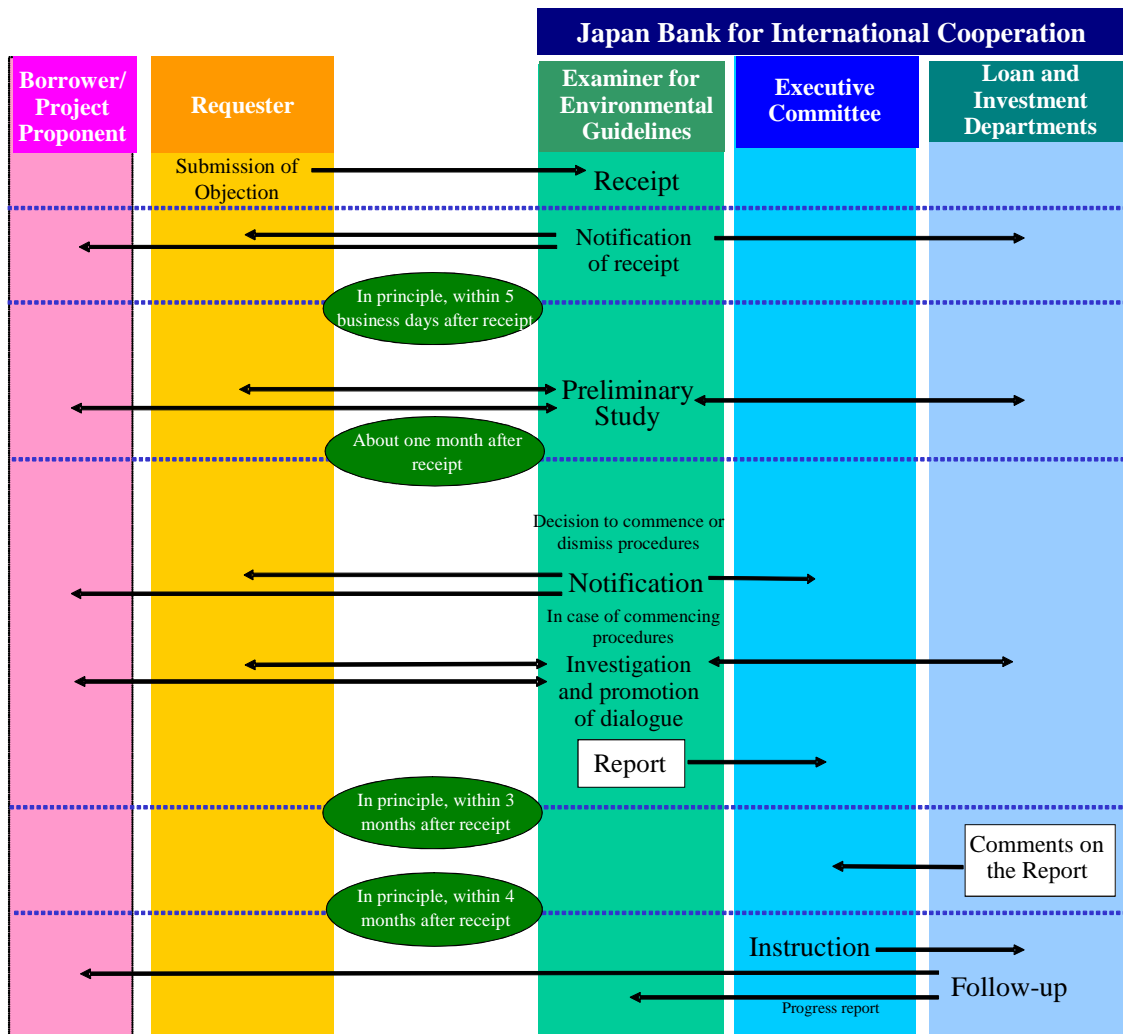
The meeting consisted of an activity report from each IAM and sessions on various themes. For the activity report, each IAM presented the number of objections received (maximum of 63 objections), the sectors in which the objections were raised (dam, natural resource development, transport infrastructure, urban redevelopment, etc.), and the countries where such projects are located (Cambodia, Indonesia, India, Nepal, Kenya, Ethiopia, Uganda, Nigeria, South Africa, Mexico, Panama, Bolivia, Brazil, Argentina, etc.). In the theme-specific sessions, discussions were held on recent reviews of various policies, the handling of objections concerning human rights issues, particularly the rights of people, including squatters, affected by forced eviction (the North-South Railway project in Cambodia, the Gazela Bridge Rehabilitation project in Serbia, the Bujagali Dam project in Uganda, etc.), trends in policies on Indigenous Peoples, how IAMs should be operated amidst changing lending modalities and environmental policies (particularly the roles of IAMs in projects after which the confirmation of environmental and social considerations is/is not conducted), and the improvement of compliance audit and consultations in the IAM, as well as the relationship between the two.

While enhancement of consultations has been strongly called for in recent years, coordination of the relationship with management is important for compliance audit. There was a report of an example which was managed without compliance audit by conducting flexible consultations (the forced eviction in the Lagos Urban Renewal project in Nigeria). There were also proposals of joint PR activities and creation of an IAM electronic platform.

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.

## 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 for which JBIC provides financing

(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]