

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Japan

Reporting Institution

JBIC

Submission Date

06 July 2015

Version number

2

I GENERAL PRINCIPLES

Objectives

1. Please describe the policies and procedures that you have established to support the objectives of the Recommendation. Please include details about your organisational structure, the operational process and supporting tools.

Our policies and procedures are prescribed in JBIC Guidelines for Confirmation of Environmental and Social Considerations, which is in line with the Recommendation.

2. Please provide a link to the environmental and social due diligence page of your institution's website.

<http://www.jbic.go.jp/en/efforts/environment>

II SCREENING

Exemptions

3. Are all applications (apart from those related to military equipment and agricultural commodities) screened?

Yes

If no, please provide details of any exemptions from screening, including:

(a) value of any threshold used:

(b) currency:

(c) details of any products exempt from screening:

(d) details of any other exemptions from screening:

Information requirements

4. What information is required for the screening process?

Application form

☒

Separate environmental/social questionnaire

☐

Sector / issue-specific questionnaires (please specify)

☐

Other (please specify)

☐

Please see our Screening Form.

http://www.jbic.go.jp/wp-content/uploads/page/2015/04/37831/en_screeningform.doc

Responsibility for screening

5. Who is responsible for screening applications?

Underwriter

☒

Practitioner

☒

ECA Consultant

☐

Other (please specify)

☐

Always jointly.

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Japan

Reporting Institution

JBIC

Submission Date

06 July 2015

Version number

2

Screening policies

6. Do you have policies and procedures in place to identify exports of capital goods and services destined to:

(a) Projects or to existing operations as defined in the Recommendation?

Yes

If yes, please provide details:

Our screening process identifies them. Please see our Screening Form.

(b) Identified locations that are in or near sensitive areas?

Yes

If yes, please provide details:

Our screening process identifies locations that are in or near sensitive areas. Please see our Screening Form.

Classification system

7. Do you classify applications described in paragraph 8 of the Recommendation?

Yes

If yes, how do you classify such applications?

Using "A, B, C" Categories

Please see our Guidelines.

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

8. Do you classify applications described in paragraph 9 of the Recommendation?

Yes

If yes, how do you classify such applications?

Using "A, B, C" Categories

Please see our Guidelines.

III CLASSIFICATION

9. Do you have policies and procedures in place to identify the potential positive and negative environmental and social impacts relating to the applications to be classified?

Yes

If yes, please provide details, including any specific tools employed:

Please see our Guidelines.

Responsibility for classification

10. Who is responsible for the classification of applications?

Underwriter

☒

Practitioner

☒

ECA Consultant

☐

Other (please specify)

☐

Always jointly.

IV ENVIRONMENTAL AND SOCIAL REVIEW

Scope and criteria

11. (a) Do you have policies and procedures in place for reviewing projects when supporting exports forming only a minor part of a project [i.e. co-insuring / financing with another Export Credit Agency (ECA), Multilateral Financial Institution (MFI) or development agency] or in re-insurance situations?

Yes

If yes, please provide details, for example:

Would always conduct own review

(b) Any other comments:

JBIC reviews all of the category A&B projects based on our Guidelines. In co-financing situations, JBIC would take into account the review carried out by other ECAs and MFIs.

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

12. Do you have policies and procedures in place for assessing, where appropriate, the potential environmental and/or social impacts of any associated facilities?

Yes

If yes, please provide details:

JBIC reviews the potential environmental and/or social impacts of any associated facilities based on our Guidelines.

13. Do you have policies and procedures in place for considering, where appropriate, any statements or reports from your National Contact Point (NCP)?

Yes

If yes, please provide details:

If Japanese exporters and/or Japanese sponsors are mentioned at the NCP statements, JBIC considers it.

Category A projects

14. Under paragraph 17 of the Recommendation, Members should require an Environmental and Social Impact Assessment (ESIA) to be undertaken for Category A projects. Are there any circumstances in which you might accept to review a Category A project for which an ESIA has not been undertaken or for which either an ESIA report is not available for review or does not adequately address all the issues set out in Annex II of the Recommendation?

No

If yes, please provide details, including the type of information that you would require in the absence of a (complete) ESIA:

Category B projects

15. The scope of a review for Category B projects may vary from project to project. Please provide details of your general approach to reviewing Category B projects, including the type of information required under your policies and procedures.

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 they examine potential negative and positive environmental impact and evaluate measures necessary to prevent, minimize, mitigate or compensate for the potential negative impact, and measures to promote positive impact if any such measures are available. JBIC undertakes its environmental reviews based on information provided by borrowers and related parties. Where an ESIA procedure has been conducted, the ESIA report and environmental permit certificates issued by the host governments or other appropriate authority may be referred to, but this is not a mandatory requirement.

Responsibility for review

16. Who is responsible for undertaking the environmental and social review?

Underwriter

☒

Practitioner

☒

ECA Consultant

☐

Other (please specify)

☐

Always jointly.

Standards for benchmarking projects

17. How do you seek assurance that a project is compliant with host country standards?

First of all, JBIC reviews ESIA reports to see if it complies with host countries standards. We also confirm the letter of approval issued by the relevant authorities. Where necessary, we make visits to the relevant agencies to reconfirm it.

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

18. Paragraphs 20-21 of the Recommendation set out the general circumstances in which various international standards should be used for the purposes of evaluating the potential environmental and social impacts of projects. Please provide details of when, in practice, you would use the following international standards:

(a) World Bank Safeguard Policies.

All non-project finance projects

(b) International Finance Corporation (IFC) Performance Standards.

All projects

(c) Multilateral Financial Institution (MFI) standards.

Other (please specify)

(d) Any other comments:

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 (Please see 3.(4)2) of our Guidelines.).

19. Do you have policies and procedures in place for dealing with cases where projects do not meet the international standards or guidelines against which they have been benchmarked?

Yes

If yes, please provide details:

If JBIC believes the environmental and social considerations of the project substantially deviate from those 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 the deviation, and the measures to rectify it if necessary.

Site visits

20. Please specify the circumstances in which you might carry out a site visit as part of the review process.

- | | | | |
|--|-------------------------------------|---|--------------------------|
| (a) All projects | <input type="checkbox"/> | (f) Project involves particularly complex/unusual potential impacts | <input type="checkbox"/> |
| (b) Category A projects | <input checked="" type="checkbox"/> | (g) Project located in or near sensitive area | <input type="checkbox"/> |
| (c) Category A project finance transactions only | <input type="checkbox"/> | (h) Project generating significant stakeholder interest | <input type="checkbox"/> |
| (d) Category B projects | <input checked="" type="checkbox"/> | (i) To verify project impact information provided | <input type="checkbox"/> |
| (e) Project finance transactions | <input type="checkbox"/> | (j) Other (please specify) | <input type="checkbox"/> |

For Category B projects, site visits will be made less frequently than for Category A.

V EVALUATION, DECISION AND MONITORING

Providing official support

21. Who is responsible for deciding whether to decline or provide official support and, in the event that support is to be provided, whether this should involve conditions to fulfil?

- | | | | |
|-------------------------|-------------------------------------|------------------------|--------------------------|
| Underwriter | <input checked="" type="checkbox"/> | Practitioner | <input type="checkbox"/> |
| Senior ECA staff | <input type="checkbox"/> | ECA committee / board | <input type="checkbox"/> |
| Guardian Authority(ies) | <input type="checkbox"/> | Other (please specify) | <input type="checkbox"/> |

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

22. (a) Under what circumstances would you consider denying support on account of the environmental and social impacts of a project? Please provide details.

JBIC guidelines prescribe that, "If appropriate environmental and social considerations are not undertaken, there may be cases where funding is not extended "Such decision would be made on a case-by-case basis.

- (b) Please provide any examples of experience.

Conditions to official support

23. (a) How are environmental and/or social conditions to be fulfilled prior to, or after, the final commitment for official support incorporated into documentation? Please provide details.

JBIC uses environmental covenants in the Loan Agreement. If JBIC judges that appropriate environmental and social considerations are not ensured at the time when it makes decisions on funding, that funding will not be extended. However, if JBIC judges that appropriate environmental and social considerations are not ensured at time of loan commitment but will be expected by the time of loan disbursement, there might be a case for JBIC to make a loan commitment with appropriate conditions for the disbursement of the loan. In such a case, in principle, JBIC will not make the loan disbursement unless the specified conditions precedent is satisfied. When there is a non-compliance with the environmental covenants in the loan agreement after the disbursement of the loan, JBIC may stop the disbursement or accelerate the loan unless that situation is cured.

- (b) Please provide examples of any environmental and/or social conditions used.

Monitoring

24. Do you have policies and procedures in place for monitoring, as appropriate, the implementation of a project to ensure compliance with the conditions of your official support?

Yes

If yes, please provide details:

- (a) Types of projects:

- | | | | |
|--|-------------------------------------|--|--------------------------|
| (i) All projects | <input type="checkbox"/> | (vi) Project involves particularly complex/unusual potential impacts | <input type="checkbox"/> |
| (ii) Category A projects | <input checked="" type="checkbox"/> | (vii) Project located in or near sensitive area | <input type="checkbox"/> |
| (iii) Category A project finance transactions only | <input type="checkbox"/> | (viii) Project likely to generate significant stakeholder interest | <input type="checkbox"/> |
| (iv) Category B projects | <input checked="" type="checkbox"/> | (ix) To verify how impacts are being addressed | <input type="checkbox"/> |
| (v) Project finance transactions | <input type="checkbox"/> | (x) Where support is provided subject to certain conditions | <input type="checkbox"/> |
| (xi) Any other (please specify) | <input type="checkbox"/> | | |

- (b) Monitoring frequency/period:

- (i) during construction:

other (please specify)

- (ii) during operation:

other (please specify)

- (c) Content:

case-by-case basis. (Please see sample of our monitoring form)
http://www.jbic.go.jp/wp-content/uploads/page/2013/08/36444/en_monitoringform.doc

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

(d) Any other comments:

case-by-case basis. (at least annually)

25. Who is responsible for undertaking monitoring of projects, including, if appropriate, making site visits, reviewing monitoring reports, deciding on compliance, etc?

Underwriter	<input checked="" type="checkbox"/>	Practitioner	<input checked="" type="checkbox"/>
ECA Consultant	<input type="checkbox"/>	Other (please specify):	<input type="checkbox"/>

Non-compliance measures

26. (a) What actions are available to you in cases where monitoring reveals that conditions are not being complied with?

If JBIC judges that there is need for improvement in the situation with respect to environmental and social consideration, it may ask the project proponent, through the borrower, to take appropriate action 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 or the acceleration of the loan unless that situation is cured

(b) Please provide any examples of experience.

Disclosure of monitoring reports

27. (a) In what circumstances do you encourage project sponsors to make *ex post* monitoring reports and related information publicly available?

(i) All projects	<input type="checkbox"/>	(vi) Project involves particularly complex/unusual potential impacts	<input type="checkbox"/>
(ii) Category A projects	<input type="checkbox"/>	(vii) Project located in or near sensitive area	<input type="checkbox"/>
(iii) Category A project finance transactions only	<input type="checkbox"/>	(viii) Project likely to generate significant stakeholder interest	<input type="checkbox"/>
(iv) Category B projects	<input type="checkbox"/>	(ix) Where project not in compliance with support	<input type="checkbox"/>
(v) Project finance transactions	<input type="checkbox"/>	(x) None	<input type="checkbox"/>
(xi) Any other (please specify)	<input checked="" type="checkbox"/>		

JBIC guidelines prescribe that, "It is desirable that project proponents make the results of the monitoring process available to project stakeholders"

(b) In what circumstances, if any, does your ECA require project sponsors to make such information publicly available or itself seek to make such information publicly available?

(i) All projects	<input type="checkbox"/>	(vi) Project involves particularly complex/unusual potential impacts	<input type="checkbox"/>
(ii) Category A projects	<input type="checkbox"/>	(vii) Project located in or near sensitive area	<input type="checkbox"/>
(iii) Category A project finance transactions only	<input type="checkbox"/>	(viii) Project likely to generate significant stakeholder interest	<input type="checkbox"/>
(iv) Category B projects	<input type="checkbox"/>	(ix) Where project not in compliance with support	<input type="checkbox"/>
(v) Project finance transactions	<input type="checkbox"/>	(x) None	<input type="checkbox"/>
(xi) Any other (please specify)	<input checked="" type="checkbox"/>		

For category A&B, JBIC discloses on its website results of the monitoring conducted by the project proponents to the extent they are made public in the host country.

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

VI EXCHANGE AND DISCLOSURE OF INFORMATION

Environmental and social procedural guidance

28. Have you published national ECA environmental and other related policy statements or principles and procedural guidance?

Exchanging information

29. Do you have policies and procedures in place for exchanging information with other ECAs and MFIs?

If yes, please provide details:

(a) co-insuring/co-financing situations:

Ad hoc informal exchanges (email, telephone, etc.) <input checked="" type="checkbox"/>	Ad hoc bilateral / multilateral meetings <input checked="" type="checkbox"/>
Practitioners' events <input checked="" type="checkbox"/>	Other (please specify) <input checked="" type="checkbox"/>

(b) competitive situations:

Ad hoc informal exchanges (email, telephone, etc.) <input checked="" type="checkbox"/>	Ad hoc bilateral / multilateral meetings <input checked="" type="checkbox"/>
Practitioners' events <input type="checkbox"/>	Other (please specify) <input checked="" type="checkbox"/>

Ex ante disclosure of project information

30. Please provide details of your policies and procedures for disclosing publicly information on Category A projects before a final commitment to grant official support, including:

(a) The scope and content of information released:

Project name <input checked="" type="checkbox"/>	Project location <input checked="" type="checkbox"/>
Description of exported goods/services and of the project <input checked="" type="checkbox"/>	Details of where additional information may be obtained <input checked="" type="checkbox"/>
Other (please specify) <input type="checkbox"/>	

(b) The language of the information released:

ECA language <input checked="" type="checkbox"/>	English <input checked="" type="checkbox"/>
Project language <input type="checkbox"/>	Other (please specify) <input type="checkbox"/>

(c) Method of disclosure:

ECA website (please provide link below) <input checked="" type="checkbox"/>	Other (please specify) <input type="checkbox"/>
---	---

(d) The minimum number of days the information should be made available prior to commitment: days

(e) Details of any circumstances in which project information relating to Category A projects is not disclosed prior to commitment:

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Japan

Reporting Institution

JBIC

Submission Date

06 July 2015

Version number

2

Ex ante disclosure of environmental and social impact information

31. Please provide details of your policies and procedures for requiring that environmental and social impact information on Category A projects be made publicly available before a final commitment to grant official support, including

(a) Scope and content of information that should be released.

Upon completion of screening of the project, JBIC disclose on its web site, the project name, location, an outline and sector of the project, category as well as reasons for that classification. Also, JBIC publishes on its website the status of acquirement of the ESIA reports and environmental permit certificate issued by the host government or other appropriate authority obtained from borrowers and related parties for confirming environmental and social considerations and promptly makes the ESIA reports etc available to the JBIC website.

(b) Language of the information released:

ECA language

☐

English

☐

Project language

☒

Other (please specify)

☐

(c) Method of disclosure:

Disclosure of documents by ECA

☒

Via link on ECA website to additional information

☐

Other (please specify)

☐

(d) Minimum number of days the information should be made available prior to commitment:

30

days

(e) Details of any circumstances in which environmental and social impact information relating to Category A projects is not disclosed prior to commitment.

No experience.

Ex post disclosure

32. Please provide details of your policies and procedures for making available to the public information on projects classified in Category A and Category B for which you have made a final commitment to provide official support, including:

(a) Scope and content of information released:

(i) Project name

☐

(x) Project location

☐

(iii) Description of exported goods/services and of the project

☐

(xi) Name of exporter

☐

(iii) Name of buyer / project sponsor

☐

(xii) Type of support

☐

(iv) Repayment term

☐

(xiii) Project credit volume

☐

(v) Commitment date

☐

(xiv) Category (A or B)

☐

(vi) Reason for classification

☐

(xv) Standards applied to the project

☐

(vii) Key environmental and social factors / potential impacts

☐

(xvi) Details of any conditions (including monitoring) applied

☐

(viii) On-going monitoring reports

☐

(xvii) GHG emissions of projects

☐

(ix) Details of where additional information may be obtained

☐

(xviii) Other (please specify)

☒

Result of the environmental reviews such as basic information about the project, natural environmental considerations, social environmental considerations, and items to be monitored by the project sponsor.

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

(b) Language of the information released:

ECA language ☒ English ☒

Project language ☐ Other (please specify) ☐

(c) Method of disclosure:

ECA website (please provide link below) ☒ Other (please specify) ☐

http://www.jbic.go.jp/en/efforts/environment/projects/review_monitoring

(d) How often *ex post* information on projects classified in Category A and Category B is made publicly available:

(e) How long the information remains in the public domain:

(f) Details of any circumstances in which information on Category A and Category B projects is not disclosed after a final commitment is made:

JBIC doesn't experience such cases. JBIC discloses all category A&B projects.

33. Do you report and/or disclose publicly information on supported projects that do not meet the relevant aspects of the international standards against which they have been benchmarked?

If yes, please provide details:

Reported to the Working Group on Export Credits and Credit Guarantees (ECG) ☐ Disclosed publicly on ECA website ☐

Disclosed publicly on Guardian Authority's website ☐ Other (please specify) ☐

VII REPORTING AND MONITORING OF THE RECOMMENDATION

Accountability of your guidelines

34. Do you have appropriate measures and mechanisms in place to ensure compliance with your policies and procedures?

If yes, please provide details, including (multiple answers may apply):

(i) ECA committee / board approvals ☐ (v) Guardian Authority(ies) approvals ☐

(ii) Internal audits ☐ (vi) Assurance provided by external parties ☐

(iii) Compliance Officer ☐ (vii) Complaint procedures ☐

(iv) Disclosure and reporting practices ☐ (viii) Other (please specify) ☒

Regarding measures to ensure JBIC's compliance with its own environmental guidelines, JBIC established the objection procedure, under which the Examiners for Environmental Guidelines handles objections with respect to JBIC's non-compliance with its guidelines. The examiners were chosen from the public and they are independent from the operational department in order to maintain neutrality. For more details please see JBIC's website. (<http://www.jbic.go.jp/en/about/environment/guideline/disagree/index.html>)

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Submission Date

Reporting Institution

Version number

Monitoring and evaluation

35. Do you have any policies and procedures in place for monitoring and evaluating your experience of the Recommendation at a national level?

No

If yes, please provide details:

Sharing information

36. Do you have policies and procedures in place for sharing experiences with other Members?

Yes

If yes, please provide details:

Ad hoc informal exchanges (email, telephone, etc.)

☒

Ad hoc bilateral / multilateral meetings

☒

Practitioners' events

☒

Other (please specify)

☒

Case-by-case basis.

Revisions of due diligence procedures

37. (a) When was the last review or update of your due diligence procedures conducted? (mm/yy)

04-2015

(b) What was the motivation for the last review or update of your due diligence procedures?

In accordance with the revision clause of JBIC Guidelines.

The clause states "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."

(c) Are any modifications foreseen in the near future?

Yes

If yes, please provide details:

JBIC conducts a comprehensive review of the Guidelines after 5 years. Revisions may then be made as needed.

When ? (mm/yy)

Resources

38. How many dedicated Practitioners work for your institution?

15

Reporting

39. How frequently do you report *ex post* to the ECG, in accordance with paragraph 41 of the Recommendation, all Category A and Category B projects for which a final commitment has been issued?

semi-annually

40. Do you produce any reports on environmental and social issues in addition to those required by the Recommendation?

No

If yes, please provide details:

Additional measures

41. Have you adopted any additional measures for undertaking due diligence, consistent with the overall objectives of the Recommendation?

No

If yes, please provide details:

Environmental and Social Survey

REPORTING COUNTRY INFORMATION

ESS-JPN-JBIC (06-07-2015) version 2

Reporting Country

Japan

Reporting Institution

JBIC

Submission Date

06 July 2015

Version number

2

Applications not classified

42. Do you have policies and procedures in place for assessing the environmental and social risks associated with existing operations, including reviewing potential impacts and benchmarking against international standards?

Yes

If yes, please provide details:

Please see our Guidelines

43. Do you have policies and procedures in place for addressing environmental and social issues relating to exports of capital goods and/or services that are not destined to identified locations?

Yes

If yes, please provide details:

Please see our Guidelines

Applications not covered by the Recommendation

44. Do you have policies and procedures in place for addressing the environmental and social issues relating to exports of capital goods and/or services and the locations to which these are destined for officially supported export credits not covered by the scope of the Recommendation, *i.e.* with a repayment term of less than two years, for military equipment and agricultural commodities, for any applications exempt from screening as reported under Q3, etc.?

Yes

If yes, please provide details:

JBIC applies our Guidelines.

Additional comments

45. Please provide any additional comments.

NA