

# JICA's Efforts to Combat Climate Change

JICA identifies efforts to tackle climate change and stepping up information-sharing as one of its priorities in view of a number of initiatives, including the SDGs; the Paris Agreement of 2015; the 2017 recommendations compiled by the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board; and, in particular, the 2050 Carbon Neutral Declaration, announced by the Japanese government in 2020. JICA will remain committed to helping realize a zero-carbon society under this and other policies of the Japanese government.

---

## Governance

In accordance with the Act on General Rules for Incorporated Administrative Agencies, JICA prepares its five-year Medium-term Plan and an Annual Plan and operates based on these Plans in order to achieve the Medium-term Objectives set by the competent ministers (the Minister of Foreign Affairs and other ministers principally for JICA). Response to climate change is also covered in these plans and operations [→ see “Performance Evaluation” on page 64].

JICA works to enhance the development effectiveness of projects it cooperates with developing countries—including those involving climate action—through monitoring and evaluation processes that utilize a consistent framework covering everything from ex-ante evaluation and in-operation monitoring to ex-post evaluation and feedback [→ see “Project Evaluation” on page 64].

### Institutional and operational strategies and the JICA Guidelines for Environmental and Social Considerations

In October 2015, JICA formulated the JICA Environmental Policy as the organizational policy on global environmental sustainability—which also covers climate action. In July 2021, JICA also established a strategy for climate action projects it cooperates with developing countries following discussions by the Board of Directors.

JICA complies with the JICA Guidelines for Environmental and Social Considerations (“ESC Guidelines”) in managing its operations. As far as development cooperation projects that JICA cooperates with developing countries are concerned, JICA's partners, including host countries, borrowers, and project proponents (“project proponents, etc.”), bear the primary responsibility for ESC. JICA's role is to examine the ESCs undertaken by the project proponents, etc., in such projects and provide necessary support to ensure that

the appropriate ESCs are put into practice.

As part of such efforts, JICA has in place the Advisory Committee for Environmental and Social Considerations as an independent standing council that advises JICA on its examination and support of ESC. The committee consists of external experts in the relevant fields who have been impartially selected following a public advertisement. Furthermore, to ensure transparency and accountability, JICA discloses the minutes of the meetings of the Advisory Committee for Environmental and Social Considerations as well as ESC-related documents prepared by project proponents, etc. In addition, JICA has established the Objection Procedures as a fail-safe mechanism to ensure its compliance with the ESC Guidelines.

JICA is now under the process of revising the current ESC Guidelines, which were announced as far back as 2010, while taking note of international trends and ensuring transparency and accountability.

### Organizational framework for enhancing operations and ensuring transparency

With regard to the organizational framework, the General Affairs Department is responsible for the environmental policy of the entire organization. The Office for Climate Change, established in 2010, is aimed at enhancing climate-related operations. The Credit Risk Analysis and Environmental Review Department takes charge of the ESC Guidelines. The Secretariat of the Examiner for the Guidelines handles objections, the content of which is reviewed by the Examiners, who are independent of the operational departments of JICA.

---

## Strategy

### JICA's Environmental Policy

JICA defines efforts to tackle climate change and stepping up information-sharing as one of its managerial priorities. The above-mentioned JICA Environmental Policy states, in the section “Basic Policy Guidelines,” that JICA will contribute “to global environmental protection in compliance with environmental laws and regulations. Furthermore, in order to prevent and reduce

negative environmental impacts that result from JICA's activities, JICA will utilize an environmental management system and shall work continuously to improve it.” Specific measures to be taken include (1) promotion of environmental measures through international cooperation activities; (2) promotion of activities for general environmental awareness; (3) promotion of environmentally friendly activities within JICA offices and other JICA facilities; and

(4) compliance with environmental laws and regulations.

### Actions to achieve international goals

The strategy for climate action projects that JICA formulated in July 2021 set out two goals. One is to work with developing countries as partners to forge ahead with development cooperation aimed at supporting a transition to a decarbonized society and making societies resilient to climate change so as to lead sustainable development. The other is to contribute, through such efforts, to achieving the international goals set out by a number of international arrangements, including the Paris Agreement, a specific framework for achieving the objectives of the United Nations Framework Convention on Climate Change; the Sendai Framework for Disaster Risk Reduction; the UN Convention on Biological Diversity; the Osaka Blue Ocean Vision; and the SDGs [[see JICA's Endeavor 3 on page 20](#)].

The strategy calls for two sets of specific actions:

1. Actions designed to support developing countries in delivering on the Paris Agreement in such aspects as formulating and implementing climate change plans, inventorying greenhouse gas (GHG) emissions, strengthening the framework for greater transparency regarding such emissions, and introducing and utilizing climate funds\*
2. Broader actions that offer co-benefits and contribute to both resolving development issues and combatting climate change through the implementation of projects in a range of relevant sectors—among which are energy, urban development, transportation, the conservation of the natural environment, including forests, agriculture, environmental management, disaster risk reduction, water resources management, and health care

In taking these actions, JICA will promote an array of activities—including promoting cooperation with various stakeholders; mobilizing finance (e.g., working with private companies; promoting the use of external funds such as the Green Climate Fund or GCF); taking advantage of Japan's expertise and technology; sharing information in a strategic manner; promoting city-to-city partnerships; facilitating intra-regional partnerships; and encouraging innovations such as digital transformation (DX).

### Complying with new strategies of the Japanese government

In June 2021, the Japanese government finalized the Infrastructure System Overseas Promotion Strategy 2025 (June 2021

revised version), which states: “Japan will make responsible inter-agency efforts towards global decarbonization by strengthening its engagement with partner countries, in accordance with their stages of development. To lead global decarbonization efforts, the government's basic policy will be to support infrastructure exports that guide countries' energy transitions toward decarbonization. Based on a deep understanding of the needs of partner countries, Japan will offer all available options for reducing their carbon dioxide (CO<sub>2</sub>) emissions, including through renewable energies (such as wind, solar, geothermal, and hydrogen), as well as energy management techniques and CCUS/carbon recycling. Japan will also support the development of policies and long-term strategies with a view to attaining decarbonization in accordance with the Paris Agreement. Furthermore, as articulated in the G7 Cornwall Summit communique of June 2021, Japan commits to ending new direct government support—including through Official Development Assistance, export finance, investment, and support for financial and trade promotion—for unabated international thermal coal power generation by the end of 2021.” (tentative translation) JICA will comply with this and other policies of the Japanese government.

### Opportunities and risks associated with climate change

The main opportunity that climate change offers for JICA is the potential to further support developing countries in achieving a zero-carbon society by (1) supporting mitigation projects that concern renewables, energy saving, and forest conservation as well as adaptation projects that focus on disaster risk reduction and other aspects; (2) implementing more projects under contract to the Green Climate Fund (GCF); and (3) expanding research that contributes to climate action.

Associated major risks include the impact that growing natural hazards in developing countries might have on JICA's cooperation projects (physical risks) as well as the additional costs of dealing with climate change in JICA's cooperation projects that result from stricter laws and regulations and rapid technological progress (transitional risks). JICA will start scenario analyses to assess the impacts of risks associated with climate change. It will also proceed with the study of strategies aimed at supporting a transition to a zero-carbon society.

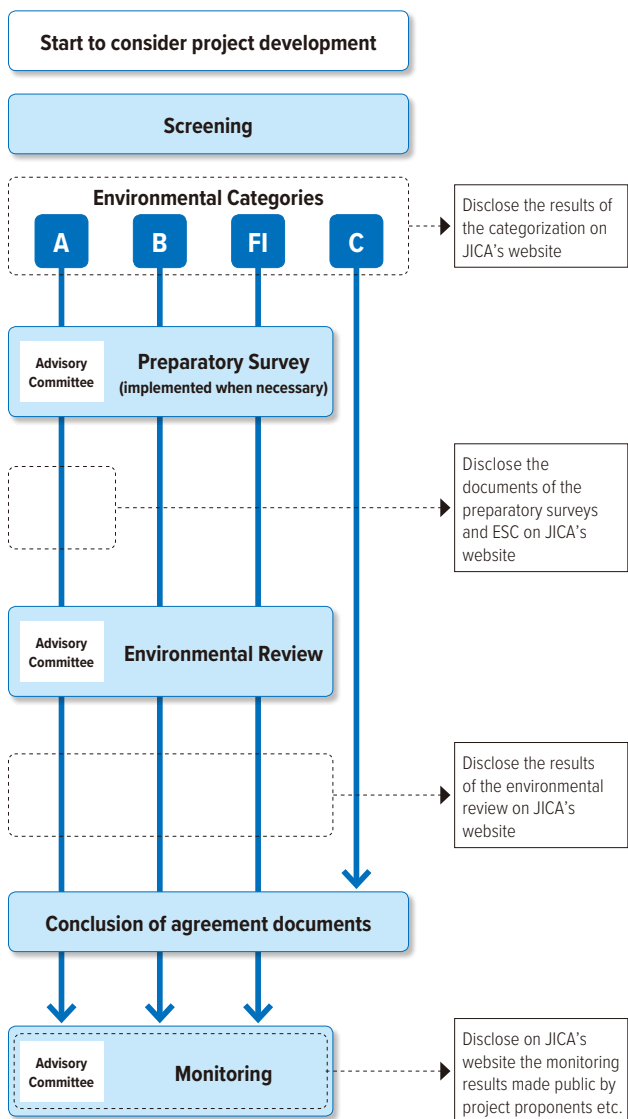
\*A climate fund is a pool of money contributed by national public funds, multilateral development banks such as the World Bank, and the private sector for climate actions. Climate actions refer to activities aimed at reducing GHG emissions and increasing their uptake (mitigation), those aimed at preventing and reducing damage associated with the impact of climate change (adaptation), or both.

## Risk Management

JICA defines risks as factors that will act as barriers to its operations—including those associated with climate change. To achieve organizational objectives and plans in an effective and efficient manner, JICA assures implementation of risk management systems and performs risk identification and assessment for the

smooth running of its projects [[see “Compliance and Risk Management” and “Financial Risk Management of Finance and Investment Cooperation,” both on page 71](#)].

Flowchart for Environmental and Social Consideration Procedures



### Managing environmental and social risks

JICA manages the environmental and social risks of its projects for developing countries by applying the ESC Guidelines mentioned earlier. The ESC Guidelines set out three processes: Screening, in which projects are classified into four categories based on the magnitude of their potential impacts; Environmental Review, in which JICA examines and evaluates the ESC during the review of the project proposal; and Monitoring, in which JICA follows up on the ESC activities for a certain period of time, including the post-completion stage [→ see the figure at left].

In each process, JICA proactively discloses information on environmental and social considerations in collaboration with project proponents, etc., in order to ensure accountability and promote the participation of various stakeholders. The process of Environmental Review involves (1) identifying the potential negative impacts of projects that are likely to have significant adverse impacts on the environment and society, based on the ESC-related documents submitted by project proponents, etc.; and (2) evaluating the proposed measures for avoidance, minimization, mitigation, or compensation for the negative impacts.

### Climate Finance Impact Tool (JICA Climate-FIT)

JICA identifies and assesses the climate risks of its cooperation projects (hazards, exposures, vulnerabilities) and studies measures to address them in the project formulation phase. Specifically, the Climate Finance Impact Tool (JICA Climate-FIT) is used to assess these climate risks and to look into the possibility of integrating activities conducive to climate actions (mitigation and adaptation measures).

In addition, JICA may help project proponents, etc., with ESC-related surveys and procedures through the preparatory survey and detailed design, both of which are conducted in the project planning phase. JICA also supports project proponents, etc., in building their capacity in the climate change sector through its technical cooperation in the Knowledge Co-Creation Program and other occasions. Furthermore, JICA takes measures to reinforce Japan's support system. These measures include offering capacity-building training to relevant parties in Japan and overseas, gathering information on ESC in developing countries, and sharing information with other development partners.

## Metrics and Targets

JICA understands that climate change will pose higher risks for JICA's cooperation projects in their attempt to achieve development impacts, especially in relation to the SDGs. With this understanding, JICA will identify specific indicators and targets to be used for evaluating and managing risks and opportunities associated with

GHG emissions and climate change after conducting planned scenario analyses.

In addition, JICA will remain committed to reducing energy consumption at its offices and facilities in Japan with specific targets.