

Creating More Advanced Environmental Guidelines of the Japan International Cooperation Agency (JICA)

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. Abstract :

The Japan International Cooperation Agency (JICA) is the major organization for Official Development Assistance (ODA) in Japan. It has three functions of assisting the planning process of big projects, conducting basic surveys for making gift and technology transfer to developing countries. It has a big role for assisting studies on big projects supported by official loans of Japanese government. It, therefore, is required to make enough considerations to environmental and social impacts caused by its activities. JICA has already a guideline for this purpose. By strong requirement from the Japanese Diet for revolution of the Ministry of Foreign Affairs, JICA started to revise the environmental guideline. The new guideline is fairly high level for sustainable development by requiring good practice of EIA. For instances, it requires three time public consultation, very positive information disclosure, and introduction of Strategic Environmental Assessment. The author analyses the characteristics of the guideline and the reason why it had been done. The process of creating it was a very transparent. Every major stakeholders were collected into the study committee including not only academics but also the representatives from major ODA related governmental bodies, NGOs, and business world. Every meeting was open to the public and minutes of the meetings were appeared on the web site. Various opinions were always collected and put into the committee. After the committee report was made, JICA made the draft of the guideline. It held also several public consultation forums, then. Public comments were collected. The very transparent process made it possible to achieve high level of guideline.

Key Words: EIA, Environmental Guideline, Sustainable Development,
Public Involvement, JICA, ODA

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Introduction

Japanese government has been making big efforts for contributing developing countries by activities of official development assistance (ODA). The major organizations for ODA are the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC). For such big projects as being required to have EIA, JICA assists the planning process of these, then JBIC gives Yen Loans. The combined activity of JICA and JBIC in big projects functions almost same as World Bank does. As JICA assists the upstream decision-making of big projects, it is very important for sustainable development. JICA revised its guidelines for environmental and social considerations for this purpose, and implemented it from April 2004.

The revised guideline becomes such advanced one as requiring three time public consultation, more positive information disclosure, and introducing strategic environmental assessment (SEA) concept in the EIA process (JICA, 2004). It was basically done because of highly transparent revising process through participation of all of the major stakeholders on this topic. The author analyses the characteristics of the guideline and the reason why it had been done.

1 . The Major Organizations of ODA in Japan

JICA is known as the major organization for ODA in Japan as mentioned above. It has the following three functions.

- 1) Development study scheme: Assistance of planning process in developing countries for big projects
- 2) Preliminary study of grant aid project of the Ministry of Foreign Affairs
- 3) Technical cooperation project scheme: Technology transfer to developing countries

JICA has especially a big role in the planning process of big projects in developing countries, in which environmental and social consideration are highly required. Because of this, JICA made “Environmental Guidelines for Infrastructure Projects” for 20 kinds of projects starting from 1990, which introduced screening and scoping process to a preparatory study scheme.

Most of these big projects should be supported by official loans of Japanese government. Then, JBIC has a role of giving the loans to developing countries. JBIC is currently one of the biggest banks for international cooperation in the world. The amount of the annual finance is about 15 billion dollars that is almost same level of that of the World Bank. This means the action of JBIC should have a great influence to the world. As the bank is supported by national government, which is same as JICA, the Japanese Diet required JBIC to confirm environmental and social considerations in its decision making of financing. JBIC made new guidelines for this purpose in April 2002 and it was fully implemented from October 2003 (The Study Group for JBIC,2001; JBIC, 2002).

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

JBIC was founded in October 1999 by the merger of the Japan Export Import Bank (JEIB) and the Overseas Economic Cooperation Fund (OECF). Because of this, there were two environmental guidelines for operations of international financing and ODA respectively. JBIC established an integrated environmental guideline applied to these two operations, demonstrating the Bank’s more responsible initiatives for environmental and social considerations. Problems of

big projects financed by JBIC had been pointed out from local people and local and international NGOs (FOE Japan, 2003).

The new guideline became fairly high level for sustainable development, by requiring the proponents to have good practice of EIA (Harashina, 2003).

JICA was also required to revise its guidelines and make a universal one applied to all of JICA activities, which should be coordinated with JBIC's New Guideline or be more advanced one. As the role of JICA is assisting the upstream decision making in the planning process of big projects in developing countries, it has a very important meaning. It, therefore, was required to make enough considerations to environmental and social impacts caused by its activities for realizing sustainable development. Although JICA has already guidelines for this purpose, it started to revise them by strong requirement from the Japanese Diet for revolution of the Ministry of Foreign Affairs.

2. The New Guideline

The new guideline became fairly high level for sustainable development by requiring good practice of EIA to the proponents. For instances, it requires three time public consultation, very positive information disclosure, and introduction of Strategic Environmental Assessment.

JICA had "Environmental Guidelines for Infrastructure Projects" prepared in 1990, which introduced screening and scoping process to a preparatory study scheme.

A Study Group was organized to conduct a study on creating new guideline of environmental and social considerations for JICA under such situation in December 2002. The Study Group made its recommendations to JICA in September 2003. The author representing the committee handed it to the new president Ms. Sadako Ogata, world wide known former senior expert of the United Nations in the October. The guideline had the following characteristics that are on an advanced level.

- 1) Key Concepts
Sustainable development, Environmental and social considerations, Human rights
- 2) Requesting project proponents and the governments of developing countries to make environmental and social considerations
- 3) Environmental reviews
Information disclosure of the EIA materials
Requiring three time public consultations on the stages of scoping, draft EIA report, and final EIA report.
- 4) Applying the concept of SEA in the EIA process
- 5) Monitoring and follow-up
- 6) Creation of new section within JICA in charge of operating the whole process of environmental and social consideration
- 7) Establishment of a reviewing committee composed of outside experts for ensuring environmental and social considerations
- 8) Establishment of a special panel for ensuring compliance of guidelines

Then, JICA started to draft the Guidelines from October 2003 assisted by the Follow-up Committee of the Study Group whose members were almost same as the Study Group. The final draft was published for public comments for two months from December. JICA also held several public consultation forums in Japan and visited major branches of JICA in developing countries to have informing sessions there during this period. The draft was modified according to the comments from the public and the Follow-up Committee checked it. The guideline was established in April 2004. The main features of the new guidelines are shown in the latter half of this paper. The Guideline itself is shown on the web site as follows.

<http://www.jica.go.jp>

3. The Study Group on Revising the Guidelines

The author analyses the characteristics of the guideline and the reason why it had been done. The process of creating it was a very transparent. Every major stakeholder was collected into the study committee including not only academics but also the representatives from major ODA related governmental bodies, NGOs, and business world. Every meeting was open to the public and minutes of the meetings were appeared on the web site. Various opinions were always collected and put into the committee. After the committee report was made, JICA made the draft of the guideline. It held also several public consultation forums, then. Public comments were collected. The very transparent process made it possible to achieve high level of guideline.

JICA had been recognizing the importance of transparency and accountability in the drafting of the guidelines because of the voices of the public. It created a Study Group for making open discussions about new guidelines. It was not created inside of JBIC but set outside of it though the meetings were actually held at the headquarters building of the Bank.

In the process of preparing for the Study Group, I insisted to have three major points for making the process transparent. Those are, the **structure of the members**, highly **open process** and provision of **sufficient information**, which is based on my theory of transparent process.

Structure of the Members:

The Study Group consisted of academics, NGO activists, ODA Consultants and JBIC, governmental officials from the five Ministries and JBIC, as well as JICA staffs. The five ministries were the Ministry of Foreign Affairs, the Environment, Land and Infrastructures, Agriculture and Fisheries, and Economics and Industry. However, they did not represent views of any particular organization, their opinions had actual influences to their organizations. In total, 19 meetings were held during about ten months between December 2002 and September 2003.

There was a problem of who should chair the committee as the stakeholders were in a confrontational situation at the outset. Then it took time not only to select the members but also decide the chairperson. Finally, we reached to a consensus of having co-chairpersons in the process. We had two co-chairpersons, one was from ODA study field and another was from impact assessment study field. Professor Masahiko Kunishima at the University of Tokyo was as the expert former the former field and the author was from the later. Then we chaired the meetings alternatively, and it was proved that this system worked quite well by good collaboration.

Open process:

The process was conducted very transparently as we thought it was critical that the discussions should be understood from the public. We opened the meetings to the public not only by providing seats for observers but also sending information by inter-net system. The comments or information from observers were welcome in every meeting.

The minutes of all the meetings, as well as the documents that have been discussed, were made being available on the web site of JICA. The names of the speakers were appeared in the minutes, which is fundamentally important for transparency. Opinions were sought from both inside and outside Japan through the web site and mail. Participation in the meeting by non-members was also granted, as long as they were registered in advance. Such open processes can set a good model for participatory advocacy activities of the civil society.

As the author conducted similar open process for creating new guideline for JBIC, it had become a good precedent for the process of JICA (Harashina, 2003).

Sufficient information:

The members were come from various stakeholders groups. As most of the participants were come from out of JICA, they did not have enough information about the procedure of the JICA. For instances, those from academic field knew well what should be the best EIA. NGO activists knew the voices of the people in developing countries and concrete problems of ODA. Those from the governments also knew institutional system. But all of them lacked such kind of information as the procedure of JICA in detail. Even the people from JICA did not know well the total system of JICA's activities, as it was very vast and complicated. It, therefore, was required to provide sufficient information to the participants. JICA did it well for responding to the requests. The meetings were started from a learning process of overall JICA's activities. A series of case study reports were also provided for mutual understanding among the participants.

4. Evaluation of the Process

As a co-chairperson of the Study Group and the chairperson of the Follow-up Committee, I had been deeply committed to creating the new guideline. From this experience, I try to evaluate the process. It can be said that the recommendations made by the Study Group were the results of the constructive discussions, in which the members had attempted to foster mutual understanding, which making efforts to find as many agreements as possible. The Study Group made the recommendations by taking the following note.

- 1) Making the contents sufficiently in accordance with experiences of the international community;
- 2) Establishing in principle a common guideline for the JICA's scheme of three different roles of assistance of planning process of big projects, basic study for accountability of gifts, and technology transfer; and
- 3) Indicating, as clearly as much detail as possible, policies, procedures, and standards

Why this kind of constructive discussion was done? It is because of the big diversity of the

members and high transparency of the process. Both could create a situation of exchanging enough information necessary to make discussion productive and produced logical and sound discussions.

Effects of Transparency

As the participants were experts in their field, they had not only their opinions but also the basic information which support what they insisted. But generally in those kind of meetings, if they were representing their organizations, they could not speak frankly because they might be accused what they said from their colleagues after the meetings. But in the process, the situation was different.

In this very transparent process, the members of the Study Group had to be responsible for their own words in a wider perspective than that of their own organizations. If the meetings were closed, they were not necessarily responsible. In the situation of not required to show the reasons and the evidence, the judgment of a person might be influenced some political powers. But if he or she were required accountability, it should be rational and independent from external powers.

It, therefore, is necessary to make minutes to inform the public what kinds of discussions were done in meetings and what was the evidence. The minutes, therefore, should provide information of who said what. In many cases, unanimous minutes had been made in Japan. We should change this situation for creating a more transparent society in Japan ²⁾.

Reviewing EIA and Compliance

The guideline it self could be said on a certain level. It is on a more advanced level than that of the World Bank. The problem raised was how to make good review of EIA and ensure compliance of the guideline. Even having such good guideline, if it could not be implemented well, it is of no use.

In the case of ODA financing, claims can be received before the final decision of loan. It is much better to receive claims as earlier stage as possible to mitigate environmental and social impacts caused by a project. JICA has a better position than JBIC in this meaning. It, therefore, is very important to conduct good reviewing of EIA documents and EIA process. Reviewing process is basically conducted by JICA itself. But, it should be assisted and checked by experts outside of JICA for rationality and fairness. It is very important how the reviewing process could be conducted accountably.

Another problem is the compliance of the guideline. An inspection system is necessary. There were discussions on the neutrality of the body for checking the compliance. Though the Study Group recommended for making an outside system for the compliance, it was not possible under the present law for JICA. Then, JICA is making an inspection system after April 2004. Two or three inspectors for this system will be hired within JICA directly connected to the president. The problem is what kind of experts would be selected.

5. Concluding Remarks

The New Environmental Guidelines of JICA is a challenge for sustainable development. It requires the information disclosure and good practice of EIA through three time public

consultations, which is more advanced than the World Bank. The result of EIA should be reflected on the decision-making of developing countries. The guidelines itself is made fine by the very transparent process as mentioned above.

There is a problem of how to make good practice of reviewing EIA and ensuring compliance of the guideline. Accountability of the reviewing process relies on the selection of the members of the reviewing committee. Though the inspectors are not outside of JICA, it should work if the inspectors are selected fairly as they are independent from the divisions related to the implementation of the guideline.

The author is expecting a good performance of the New Guidelines of JICA for making more positive contribution to the world.

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***The followings are a part of JICA's revised guideline, 2004 (Provisional translation).**

I. BASIC MATTERS OF JICA'S REVISED GUIDELINE

A. Policy

The Principle 17 of Rio Declaration on Environment and Development proclaims that Environment impact assessment, as a national instrument shall be undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority.

Agenda 21 proposes the governments should promote the development at the national level of appropriate methodologies for making integrated energy, environment and economic policy decisions for sustainable development, inter alia, through environmental impact assessment (9.12(b)).

Universal Declaration of Human Rights makes clear a common standard of achievement for all peoples and all nations to promote respect for human rights and freedoms, and to secure their universal and effective recognition and observance.

Japan's Official Development Assistance (ODA) Charter states that great attention will be paid with respect of factors such as environmental and social impact on developing countries of the implementation of ODA.

In 1985 OECD Council Recommendation on Environmental Assessment of Development Assistance Projects and Programmes was endorsed, and since then multilateral donors including World Bank and main bilateral donors prepared guidelines for environmental considerations and applied it.

JICA prepared environmental guidelines for infrastructure projects in 1990, in response to a proposal made by the first JICA Working Task on Environmental Cooperation in 1988, which introduced a screening and a scoping process to a preparatory study of Development Study. Overseas Economic Cooperation Fund (OECF) in charge of Yen Loan, also prepared its guidelines for environmental considerations in 1989. After OECF and Japan Exports and Imports Bank were combined into Japan Bank for International Cooperation (JBIC), JBIC arranged guidelines for confirmation of environmental and social considerations in 2002 and is enhancing an implementing set-up for environmental and social considerations.

JICA in charge of technical cooperation in ODA, plays a very important role to contribute to sustainable development in developing countries. The inclusion of environmental and social costs in development costs, and the social and institutional framework for coming true that, are essential for sustainable development. These two requirements are what environmental and social considerations mean, and JICA is requested to undertake suitable considerations.

The democratic decision-making is indispensable to make them to work and it is crucial to secure stakeholders participation, information transparency, accountability and efficiency in addition to respect for human rights, for decision-making.

In this context, with respect for human rights and democratic governance system, JICA secures a wide range of stakeholder meaningful participation and transparency of decision-making, works for

information disclosure and keeps efficiency for undertaking environmental and social considerations. The government is requested accountability and at the same time stakeholders are also required to speak with responsibility.

Under this background, JICA considers impacts on the environment and society when implementing cooperation projects.

B. Objective

The objective of these guidelines is to encourage a recipient government to conduct appropriate environmental and social considerations through making clear the responsibility and procedures that JICA takes, and a required condition that a recipient government fulfills. On the other hand, it is to secure an adequate process of support and confirmation taken by JICA.

C. Definitions

1. “environmental and social considerations” means considering impacts on air, water, soil, ecosystem, fauna and flora as well as social impacts including involuntary resettlement and respects for indigenous people.
2. “cooperation project” means a development study, a preliminary study of grant aid project or a technical cooperation project that JICA undertakes.
3. “the project” means an undertaking or a project that the recipient government conducts and JICA supports.
4. “environmental and social considerations study” means conducting a baseline survey, predicting and evaluating likely significant impacts, and presenting mitigation measures to avoid and minimize them.
5. “strategic environmental assessment” means an assessment being implemented at an upper level rather than a project level EIA. It is conducted at a planning stage or a policy stage.
6. “support to environmental and social considerations” means helping a host country through conducting an environmental and social considerations study, analysis of countermeasures, accumulation of knowledge and experience and human development.
7. “confirmation of environmental and social considerations” means judging whether adequate considerations to a project are secured, through a discussion with a recipient government and a field survey, after collecting information of a project description, a site description, likely impact on the environment and society, a legal framework about EIA, implementing set-up including budget, organization, personnel and experience, a framework of information disclosure and public participation, and their operation.
8. “screening” means deciding whether a proposed project has likely impacts to be assessed by the environmental and social considerations study, according to a project description and a site description. JICA conducts screening by classifying proposed projects into three categories, A, B and C. A proposed project classified as Category A, is likely to have significant adverse impacts and a proposed project classified as Category B, is likely to have less adverse impacts than those of

Category B project. A Category C project is likely to have minimal or no adverse impacts.

9. “scoping” means deciding alternatives to be considered, a range of significant and likely significant impacts, and a study plan.
10. “stakeholder” means residents in a site including illegal residents, Non-governmental organizations (NGOs) in action in a host country who have a view and an opinion about a cooperation project, researchers and concerned central and local governments.
11. “international agreement” means an agreement between the government of Japan and a host government after the Ministry of Foreign Affairs selects a proposed cooperation.
12. “follow-up activity” means confirming that a host government integrates an output of the environmental and social considerations study in decision-making process to implement the project.
13. “Terms of References (TOR)” means a set of administrative, procedural and technical requirements.
14. “Scope of Work (S/W)” means an agreement document between JICA and a counterpart institution in a host country, on a scope of study, contents to be addressed, a schedule of study and mutual undertakings.
15. “Record of Discussion (R/D)” means an agreement document between JICA and a counterpart institution in a host country, on an objective of technical cooperation project, an activity, a schedule of activity and mutual undertakings.
16. “EIA level study” means a study consisting of a full scale of assessing of environmental impact, mitigation measures and monitoring plan on the basis of a detailed field survey.
17. “IEE level study” means a study based on secondary data and a simple field survey.

D. Basic Principles of Environmental and Social Considerations

JICA supports a recipient government, through a cooperation project, conduct appropriate environmental and social considerations so as to avoid or minimize adverse impacts on the environment and local communities, and not to occur unacceptable impacts caused by the project contributing to their development purpose. JICA thus promotes sustainable development in a developing country.

JICA makes clear the requirements that the recipient government meets from the view point of environmental and social considerations in these guidelines, and provides supports to fulfill them through cooperation activities. JICA confirms undertaking by a host government according to the requirements properly in order to incorporate a result of the cooperation in decision-making process.

JICA submits a proposal to MOFA regarding selection of a proposed project from a view point of environmental and social considerations, so that the Government of Japan makes an adequate decision to select it.

JICA recognizes the following seven principles to be very important.

1. The types of impacts addressed by JICA covers a wide range of environmental and social influence.

2. The environmental and social considerations are addressed from an early stage of the project. JICA introduces a concept of Strategic Environmental Assessment (SEA) when conducting Master Plan study, and works on a recipient government to take measures to do a wide range of environmental and social considerations from an early stage and support their efforts. JICA makes an effort to include consideration of alternatives on that occasion.
3. A follow-up activity is done during a certain necessary period after a cooperation project terminates. JICA makes approached to a recipient government to ensure environmental and social considerations. JICA would conduct a cooperation activity in accordance with another request if necessary.
4. JICA keeps accountability and transparency when conducting a cooperation activity.
5. JICA incorporates stakeholders opinions in decision-making process, through meaningful participation of inhabitants in a site including illegal ones, NGOs who work at a site and have a knowledge and an opinion about a cooperation activity, researchers, related authorities of the central and local governments in order to implement environmental and social considerations and to reach an agreement properly.
6. JICA itself discloses information on environmental and social considerations in collaboration with the recipient government, in order to maintain accountability and participation of various stakeholders.
7. JICA works hard for strengthening an organization and an implementing ability to undertake environmental and social considerations, taking notice of conducting them appropriately and effectively at all times.

E. Responsibility of JICA

1. The environmental and social considerations to the project should be undertaken on initiative of a host government. However JICA supports and confirms them in response to a nature of cooperation project, in accordance with these guidelines.
2. When a request of a cooperation project is made, JICA confirms contents to be addressed regarding environmental and social considerations and categorizes a proposed project.
3. When JICA makes a plan of the project, JICA prepares a report of environmental and social considerations study, in collaboration with a host country. JICA reviews the categorization if necessary and conducts screening through information disclosure and stakeholders meeting.
4. JICA conducts monitoring an implementation stage of a technical cooperation project which needs environmental and social considerations.
5. JICA conducts a follow-up activity after a cooperation project terminates if necessary.
6. JICA provides a technical support to a host country through mutual work of environmental and social considerations study.
7. JICA provides a technical support regarding enforcement of environmental impact assessment in a host country, in accordance with another request.

8. JICA makes an effort to incorporate a concept of SEA when taking part in a stage of plan or programme level upper than project level, or an overall study like master plan study. At the same time, JICA works on the recipient government to take measures to do a wide range of environmental and social considerations from an early stage and supports them to do that.
9. JICA keeps accountability and transparency when doing support and confirmation.
10. An expert dispatched by JICA gives a recipient government advice or support, respecting related clauses of these guidelines within his/her mandate.

F. Requirements that the Recipient Government Fulfills

1. A recipient government is requested to incorporate an output of environmental and social considerations study in planning and decision-making process on the authorization of its implementation.
2. When JICA considers selection of proposed projects and support of environmental and social considerations, JICA confirms requirements that the recipient government fulfills as mentioned in Appendix 1.
3. Various documents prepared through EIA process and reports (EIA documents) must be written in an official language or familiar language in a host country. Documents written in understandable language and form for local people, must be prepared at explanation to them.
4. It is requested that EIA documents are open for stakeholders including local people, provide for public reading at all times and are permitted to make copies in a host country.

G. Covered Schemes

The guidelines cover three schemes which JICA implements, such as development study, preliminary study of grant aid project and technical cooperation project. In the case of conducting a study except above three schemes, JICA respects related clauses within its TOR according its objective.

H. Measure Taken in an Emergency

In an emergency, which means a situation that must be dealt with immediately when restoration of natural disaster or post conflict restoration and rehabilitation, and under which it is clear to have no time to take procedures of environmental and social considerations, JICA inquires of an advisory council a line and a plan about environmental and social considerations at an early stage, and discloses a report of an inquiry.

I. Dissemination

JICA explains these guidelines to the recipient governments and related Ministries and requests that they take them into consideration.

II. PROCESS OF ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

A. Information Disclosure

1. A recipient government discloses information about environmental and social considerations of the project in principle. JICA helps the recipient government disclose it through the cooperation project.
2. JICA itself discloses important information about environmental and social considerations at main stages of the cooperation project in a suitable manner in accordance with these guidelines.
3. JICA discusses a framework to ensure information disclosure with the recipient government and comes to an agreement with it in an early stage of the cooperation project.
4. The information to be disclosed includes that of the project itself.
5. JICA provides information about environmental and social considerations for a third party within the possible limits responding a request, besides information to be disclosed on its own judgment.
6. JICA encourages the recipient government to disclose and present information about environmental and social considerations to local stakeholders.
7. JICA discloses information sufficient time in advance of a meeting with stakeholders in cooperation with a host government.
8. JICA discloses information through its web site in Japanese and English, and provides it for public reading at its library and a concerned overseas office.
9. JICA prepares documents in an official or a familiar language and an understandable form for local residents, and is willing to provide them with documents when revealing information on its web site.

B. Consultation with Stakeholders

1. JICA consults with stakeholders in conjunction with the recipient government and incorporates a result of consultation in an activity of the cooperation project so that environmental and social considerations are conducted and an agreement is reached in more suitable way to local situation.
2. Stakeholders to participate in a meeting are responsible for their saying.
3. JICA informs directed affected residents through publicity activities in advance of taking care of their convenience in order to have a meaningful meeting.

4. In case of Category A project, JICA consults stakeholders about a grasp of development needs, likely adverse impacts on the environment and society and considerations of alternatives at an early stage. JICA has at least a series of discussions at each stage of scoping, preparing an outline of environmental and social considerations, and completion of a draft final report.
5. In case of Category B project also, JICA has stakeholders meeting when necessary.
6. JICA prepares a minute of meeting when having a meeting.

C. Impacts to be assessed

1. The impacts to be assessed in terms of environmental and social considerations include an impact on human health and safety as well as the natural environment including a trans-boundary or global scale impact, through air, water, soil, waste, accidents, water usage, ecosystems and biodiversity. The impacts also include the social impacts including migration of population and involuntary resettlement, local economy such as employment and livelihood, utilization of land and local resources, social institutions such as social infrastructure and local decision-making institutions, existing social infrastructures and services, vulnerable social groups such as the poverty level and indigenous peoples, equality of benefits and losses and equality in the development process, gender, children's rights, cultural heritage, local conflict of interests and infectious diseases such as HIV/AIDS.
2. In addition to the direct and immediate impact of projects, derivative, secondary and cumulative impacts are also to be assessed in regard to environmental and social considerations within a reasonable extent. The life cycle impact during a project period is considered too.
3. Various kinds of relevant information are needed to assess impacts on the environment and local community. There is, however, uncertainties in predicting impact due to incomplete understanding of an impact mechanism and limited information available. Therefore, if the scale of uncertainty is considered to be big, JICA conducts environmental and social considerations as much as possible in line with a preventive approach.

D. Inquiry to Advisory Council

1. JICA establishes a standing advisory council as a third party, composed of external experts with necessary knowledge in order to seek advice regarding support for and confirmation of environmental and social considerations toward cooperation projects.
2. The advisory council takes part in Category A and B projects from a request review stage and gives Environmental and Social Analysis Section advice about the rights and wrongs of support in response to asking for advice. The council also gives advice on each cooperation project. Ad-hoc members are requested to participate in the council when necessary, taking into account the nature of each project.
3. A discussion by the advisory council is open to the public. Minutes are prepared with the names of speakers in the order of speaking and are made available to the public.

E. Categorization

1. JICA classifies the projects under three categories according to an extent of environmental and

social impacts, taking into account an outline, scale, site condition and environmental impact assessment scheme in a host country.

2. Category A: A project is classified as Category A if it is likely to have significant adverse impact on the environment and society. A project with a complicated impact or unprecedented impact, which is difficult to assess, or with a wide range of impact or irreversible impact is also classified as Category A. A project is also classified as Category A if it requires a detailed environment impact assessment by environmental laws and standard of a recipient government. The impact may affect an area broader than the sites or facilities subject to physical construction. Category A, in principle, includes projects in sensitive sectors (i.e., characteristics that are liable to cause adverse environmental impact) and projects located in or near sensitive areas. An illustrative list of sensitive sectors, characteristics and areas is given in Appendix 2.
3. Category B: A project is classified as Category B if its potential adverse impact on the environment and society is less adverse than that of Category A projects. Generally this is site-specific, few if any are irreversible, and in most cases normal mitigation measures can be designed more readily.
4. Category C: A project is classified as Category C if it is likely to have minimal or little adverse impact on the environment and society.
5. JICA flexibly reviews a categorization even after screening, in the case of that a new significant impact comes to light with a process of a cooperation project.
6. The project is not clearly specified at an early stage like that of Master Plan Study. In such cases, however, the project is categorized based on its likely significant impacts. At that time, derivative, secondary and cumulative impacts are also to be considered. When considering plural alternatives, the project is classified as a category of an alternative that has the most significant impact among them. JICA reviews a categorization accordingly after the project has been identified with a progress of a study.
7. JICA requests a host government to fill in a screening form of Appendix 3 and utilizes its result for categorization.

F. Law and Standard to which JICA refers

1. JICA in principle confirms whether the project meets the requirement for environmental and social considerations in the following ways.
2. JICA confirms whether the project complies with laws or standards relating to the environment and local communities in the central and local governments in a host country as well as whether the project conforms to their policies and plans.
3. JICA refers to international standards, treaties and declarations and good practices which Japan, international and regional organizations and developed countries have. When JICA recognizes that the laws and regulations about environmental and social considerations of a host country substantially are inferior to these standards and good practices, JICA encourages the recipient government including local government to undertake more appropriate considerations through a series of dialogues, and confirms a background and justification for a deviation.
4. JICA takes account of importance of good governance surrounding the project for the sake of appropriate environmental and social considerations.

G. Concern about Social Environment and Human Right

1. The environmental and social considerations are affected by social and institutional conditions of a host country and an actual situation of a project location. Therefore, these conditions have to be fully taken into account when supporting for and confirming environmental and social conditions. In particular, special measures must be taken for a cooperation project in countries and areas affected by conflict or where the basic freedom including freedom of expression and the right to receive legal relief, is restricted.
2. JICA respects internationally established human rights standards such as the International Convention on Human Rights, and gives special attention to the human rights of vulnerable social groups including women, indigenous peoples and minorities when implementing cooperation projects.

H. Decision-making by JICA

1. JICA makes a recommendation to the Ministry of Foreign Affairs of Japan (MOFA) from a viewpoint of environmental and social considerations at a review stage of a request, after confirming a nature of a proposed project, a site description, a scope of impact on the environment and local communities, an implementing set-up of a host government and a project executing body, and a prospect of information disclosure and public participation in addition to categorization by screening. The recommendation includes a change of a study to be at an upper level and a change of a preliminary study of a grant aid project to be a feasibility study when necessary.
2. JICA takes a necessary measure to ensure suitable environmental and social considerations of a cooperation project, if an unexpected inadequate matter comes to light after MOFA concludes an international agreement.
3. JICA reaches a decision-making to stop the cooperation project and recommends MOFA to do that when JICA concludes it impossible to secure environmental and social considerations even taking above measures. Where it is impossible to ensure environmental and social considerations, means a case for example, where development needs are inappropriately grasped, where the project is expected to have a significant impact even taken mitigation measures during an implementation stage, where affected residents or social organizations concerned are hardly participate in the project and are not to be in the future though serious impacts are to be predicted, or where it is expected difficult to implement mitigation measures to avoid or minimize impacts in consideration of the social and institutional conditions to a project site etc.

I. Ensuring Appropriate Application of and Compliance with the Guidelines

JICA appropriately implements the principles and procedures, mentioned in these guidelines and ensures compliance with them. JICA responds to objections regarding non-compliance with them by founding an independent body from project executing departments, as prescribing regulations separately from these guidelines.

J. Application and Review of the Guidelines

1. These guidelines come into force on April 1, 2004 and are applied to proposed projects in FY 2004. On-going cooperation projects requested before April 1, 2004 are applied to possible items mentioned in procedures. JICA proceeds with a system to respond objections.

2. JICA verifies the status of an application of these guidelines, and based on its findings makes a comprehensive review of it within five years of its enforcement. A revision is made as needed. JICA seeks opinions from the governments of Japan and developing countries, NGOs in developing countries, as well as NGOs in Japan, a private sector and experts etc. in a way to ensure transparency and accountability.
3. JICA studies a problem to be solved and methods in applying these guidelines, and incorporates a result of study in a review process

***The followings part and four appendices are also included in JICA's revised guideline, 2004**

III. Procedures of Environmental and Social Considerations

Appendix 1. Requirements that the Recipient Government Fulfills

Appendix 2. Illustrative List of Sensitive Sectors, Characteristics and Area

Appendix 3. Screening Format

Appendix 4. Environment Impact Assessment Report for Category A Project