

**Annual Report
of
The Examiners for the JICA Guidelines
for
Environmental and Social Considerations**

Fiscal Year 2025

**The Examiners for the JICA Guidelines for
Environmental and Social Considerations**

Japan International Cooperation Agency (JICA)

Objection Procedures

Japan International Cooperation Agency (hereinafter referred to as “JICA”) published the *JICA Guidelines for Environmental and Social Considerations*¹ (hereinafter referred to as the “JICA Guidelines”) in April 2010, and in order to ensure its compliance with the JICA Guidelines, established the Examiners for the Guidelines (hereinafter referred to as the “Examiners”) in accordance with its *Objection Procedures based on The Guidelines*² (hereinafter referred to as the “Objection Procedures”) published in April 2010. The Examiners are independent from the departments of JICA that are responsible for project management or environmental review (hereinafter referred to as the “Operational Departments”).

The objectives of the Objection Procedures are (1) to investigate whether JICA has complied with the JICA Guidelines and report the results to the President of JICA (hereinafter referred to as the “President”) in order to ensure JICA’s compliance with the JICA Guidelines; and (2) to facilitate consensual dialogues between the parties concerned for the prompt resolution of disputes on any specific environmental and/or social issues that arose from JICA’s alleged or confirmed non-compliance with the JICA Guidelines. “The parties concerned” refers to the parties that have submitted requests to raise objections (hereinafter referred to as “the Requesters”) and “the Project Proponents” which include host country governments (including local governments) involved with the project, borrowers, and project executing agencies.

The Examiners are required to pursue these objectives while upholding basic principles, i.e., independence, neutrality, efficiency, promptness, and transparency.

Annual Report of the Examiners

This annual report was prepared to publicize the activities of the Examiners carried out in Fiscal Year 2025, in accordance with the Objection Procedures.

Please refer to JICA website for the Objection Procedures and other documents including previous reports of the Examiners at:

https://www.jica.go.jp/english/our_work/social_environmental/objection/index.html

¹ The JICA Guidelines were revised in January 2022. For more information, please refer to JICA website at: https://www.jica.go.jp/english/our_work/social_environmental/guideline/index.html

² The Objection Procedures were revised in January 2022. For more information, please refer to JICA website at: https://www.jica.go.jp/english/our_work/social_environmental/objection/index.html

Acknowledgements

This annual report has been prepared in accordance with the Objection Procedures based on the Guidelines for Environmental and Social Considerations.

As stipulated in the Objection Procedures, the objectives of the Examiners' activities are to investigate whether or not JICA has complied with the JICA Guidelines and to facilitate consensual dialogues among the parties concerned for the prompt resolution of disputes concerning specific environmental and/or social issues that arose from JICA-assisted projects, and thereby ensuring JICA's compliance with the JICA Guidelines.

In the Fiscal Year 2025 the Examiners conducted investigation on one (1) request to raise objection (hereinafter referred to as "the Request").

The Examiners would like to take this opportunity to thank all the persons concerned who cooperated in the activities relating to Objection Procedures.

July 2026

Examiners for the Guidelines

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(Listed in the order of the Japanese syllabary)

I. Outline of Activities During the Fiscal Year 2025

1. Number of Requests received

One Request was received by the Examiners during the Fiscal Year 2025.

2. Number of cases the Examiners decided to commence the process / suspend/ reject

The number of cases which the Examiners decided to commence the process in the Fiscal Year 2025 was one (1), i.e., the Request concerning the “Nagdhunga Tunnel Construction Project” in Nepal. There were no cases being suspended or rejected.

The Examiners conducted preliminary investigation on the “Nagdhunga Tunnel Construction Project” in Nepal from 22 August to 24 October 2025 and consequently decided to commence the process on 24 October and notified the Requesters of the decision.

3. Causal analysis of cases that were suspended or rejected

Not applicable.

4. Investigation reports produced by the Examiners on the Requests

The number of the Investigation Reports produced by the Examiners for Fiscal Year 2025 was one (1), i.e., the Investigation Report on the Request concerning the “Nagdhunga Tunnel Construction Project” in Nepal.

(1) Preparation of the Investigation Report on the “Nagdhunga Tunnel Construction Project” in Nepal

From 25 October 2025 to 24 February 2026, the Examiners conducted interviews with the local stakeholders including the Requesters, the Operational Departments of JICA, and governmental organizations of Nepal, and made site visit, and confirmed the situation regarding the dialogues between the parties concerned for the resolution of disputes. In addition, the Examiners examined the collected documents and submitted the Investigation Report to the President of Japan International Cooperation Agency (JICA President) on 24 February 2026.

(2) Analysis of the alleged non-compliance with the JICA Guidelines

The Examiners conducted broad reviews and investigations, and established that there were deficiencies in the consideration of alternative measures at the planning stage of the water supply program, and that JICA’s confirmation with the project proponents was insufficient with respect to the consideration of compensation measures required under paragraph 1 of “Consideration of Measures” section in Appendix 1 of the JICA Guidelines, which in turn is referred to in the paragraph 2 of Section 1.6 (Requirements of project proponents etc.) of the

JICA Guidelines. The Examiners determined that this constituted non-compliance with the JICA Guidelines during some period.

In addition, the Examiners made following recommendations to JICA to ensure JICA's compliance with the JICA Guidelines during the implementation of the project.

i. Promoting cooperation in a manner that fully considers the lives and livelihoods of local residents and is attentive to affected residents

Impacts on drinking water and irrigation were anticipated at an early stage and have, in fact, materialized in this Project. The countermeasure of establishing a water supply system was determined from the outset and was implemented, but it was delayed. With respect to a water supply project for drinking water as a compensation measure—which directly affects people's lives and health—the system should first be completed before the problems such as decreases in groundwater or drying up of well water arise, and only thereafter should the Project activities be commenced. For this Project, it is recommended that JICA request the implementing agency to continue monitoring and also to ensure there are no issues on the water supply system for affected residents for a certain period after the handover of the Project, and to confirm that such monitoring is being carried out.

ii. Restoring access to groundwater and water sources for drinking and irrigation, and water use charges

Access to the groundwater and water sources for drinking water and irrigation should, to the extent possible, be restored to the same level as before the construction of the Project. It is recommended that JICA continue confirming the progress and to engage, through dialogues, and provide necessary support, so that the “Water Lifting Project” planned by the implementing agency proceeds without delay.

In addition, regarding the introduction of the water fees related to the “Water Lifting Project”, and the Water Supply Project implemented pursuant to the MOU between the Department of Roads and Chandragiri Municipality, taking into account the background that these water supply projects were required due to the Tunnel Construction Project, it is recommended that JICA confirm the progress of the consultation process both in “Water Lifting Project” and Water Supply Project, based on the continuing dialogues between the relevant government agencies and the residents concerned in order to realize them as sustainably operating water supply projects respectively with the consent of all the stakeholders concerned, and provide necessary advice to the relevant government agencies.

iii. Impacts on irrigation and compensation for crop losses (including compensation for losses even on “Non-Farmland”)

The Department of Roads and the Department of Irrigation have stated that they have

accepted and already addressed the compensation claims where losses occurred on the land where officially declared and registered as farmland. On the other hand, agricultural activities conducted on land where officially not declared, nor registered as farmland are included in the scope which the Guidelines need to consider if any adverse impacts on employment and means of livelihood occurred by the Project. Therefore, it is recommended that JICA requests the implementing agency and other relevant agencies to consider measures to take care of these impacts, and also to confirm such measures to be taken by them. In addition, it is recommended that JICA request the implementing agency and other relevant agencies to ensure that such measures will be duly implemented.

iv. Review and revision of monitoring items based on the needs, and improvement of the format of monitoring report

It is strongly recommended that JICA review and revise the monitoring items (i.e. any added items for monitoring) as needed with special attention to the socio-economic aspect of the project-affected residents through the regular monitoring although the scope and items for monitoring were agreed between JICA and relevant government agencies in the Minutes of Discussions. As the monitoring to be continued for the approximately next two years after the handover of the Project, it is strongly recommended that JICA discuss with the implementing agency the reporting format which draws an attention more easily from JICA staff who check the monitoring report to the risks in addition to the reporting of the data being monitored. In particular, regarding the monitoring items, for instance, some revisions in adding the headings such as “items/ activities which were different from the workplan”, or “items/issues which the Project urgently dealt with (or “items/issues which required urgent measures”)) are likely to draw more attention from JICA staff who are in charge of the Project management. Therefore, it is strongly recommended that JICA discusses the format and appropriate ways of reporting with the implementing agency.

(3) Sending the Investigation Report to the parties concerned

The Examiners sent the English version of “Investigation Report: Nagdhunga Tunnel Construction Project in Nepal” to the Requesters via e-mail on 28 February 2026. To the parties concerned in the Nepalese government, the report was sent via JICA Nepal Office. In addition, at the Requesters’ request, the Examiners sent the Nepalese version of Investigation Report to the Requesters via e-mail on 14 April 2026.

(4) Disclosure of the Investigation Report

The Examiners disclosed “Investigation Report: Nagdhunga Tunnel Construction Project in Nepal” on JICA website as follows:

i. Japanese version (original)

https://www.jica.go.jp/about/policy/environment/objection/___icsFiles/afieldfile/2026/03/18/Report20260224Japanese.pdf

ii. English version (English translation of the original report)

https://www.jica.go.jp/english/about/policy/environment/objection/___icsFiles/afieldfile/2026/03/18/Report20260224English.pdf

(5) Opinions submitted by the Operational Departments

In response to the contents of the Investigation Report, the Operational Departments submitted their opinions to the President on 24 March 2026. The Operational Departments, considering the Examiners' recommendations, state that they will take actions as follows:

i. Promoting cooperation in a manner that fully considers the lives and livelihoods of local residents and is attentive to affected residents

JICA will continue to make efforts to ensure that the Project Proponents take mitigation measures for the Project at appropriate times. It has been confirmed that the development of the water supply system in the affected area of the Project has now been completed, and the system is being operated under the Water Management Committee, which is composed of representatives of the local residents. Going forward, for a certain period after the handover of the Project, JICA will continue to encourage DOR to appropriately monitor whether there are any problems with the water supply system and confirm the results of such monitoring.

ii. Restoring access to groundwater and water sources for drinking and irrigation, and water use charges

DOR has indicated that implementation of the "Water Lifting Project" will require coordination with the relevant ministries, as well as obtaining the agreement of neighboring municipalities and local residents, in addition to conducting technical examinations regarding its feasibility. Furthermore, the water supply facilities newly introduced through the water supply program will be transferred to the municipalities for operation and maintenance upon the completion of the Project. As in other areas, the costs for operating and maintaining these facilities are to be shared and borne by the local residents in accordance with relevant laws and regulations of Nepal. Accordingly, with regard to the implementation of the "Water Lifting Project" and any consideration of providing free water supply after completion of the Project, JICA recognizes that careful consideration is required to prevent the emergence of additional disputes among local residents and to ensure fairness by taking into account not only the affected areas of the Request but also the neighboring municipalities and local residents. JICA will continue to monitor the progress of the consultation process and, as necessary, provide appropriate encouragement to the Project Proponents to ensure that careful and inclusive dialogue is maintained with all stakeholders,

including neighboring municipalities and local residents, and that any measures are examined and decided upon on the basis of consensus among all concerned stakeholders.

iii. Impacts on irrigation and compensation for crop losses (including compensation for losses even on “Non-Farmland”)

JICA will continue to confirm that DOR appropriately assesses whether agricultural activities on “Non-Farmland” have been affected by the implementation of the Project with respect to local residents’ livelihoods. Where such impacts are identified, JICA will encourage the Project Proponents to consider and implement suitable measures, with due regard to the underlying circumstances that may preclude local residents from formally declaring the use of their land as farmland.

iv. Review and revision of monitoring items based on the needs, and improvement of the format of monitoring report

JICA has carried out environmental and social consideration monitoring under the Project, covering the socio-economic aspects of affected residents, based not only on the monitoring forms agreed upon at the time of project appraisal but also on information obtained from the Project Proponents, as well as project progress reports. While JICA has recognized that no impediments to monitoring have arisen from the current format or manner of reporting, efforts will continue to be made, as necessary and in view of the implementation status of the Project, to consider the addition of monitoring items or the revision of the monitoring format.

The abovementioned opinions are disclosed on JICA website as follows:

i. Japanese version

https://www.jica.go.jp/about/policy/environment/objection/___icsFiles/afieldfile/2026/03/25/OpinionJICA20260324Japanese.pdf

ii. English version

https://www.jica.go.jp/english/about/policy/environment/objection/___icsFiles/afieldfile/2026/03/25/OpinionJICA20260324English.pdf

(6) Instruction issued by the JICA President

In response to the Examiners’ Investigation Report and the opinions of the Operational Departments, the JICA President instructed the Operational Departments to “steadily implement the measures planned in the Operational Departments’ opinions submitted on 24 February 2026”.

II. Collaboration and Cooperation with Other Institutions

1. IAMnet

The Independent Accountability Mechanisms Network (IAMnet) is a network for regular information sharing among the practitioners involved in strengthening accountability and compliance regarding environmental and social considerations of international financial institutions and international development agencies. The Examiners of JICA and the secretariat for the Examiners have been attending the IAMnet’s annual meetings as observers since 2016, and officially joined the IAMnet in June 2019.

From 6 to 9 October 2025, the Annual Meeting of the IAMnet took place in Bridgetown, Barbados, co-hosted by the Office of Integrity, Compliance, and Accountability of the Caribbean Development Bank, the Independent Consultation and Investigation Mechanism of the Inter-American Development Bank, and the Compliance Advisor Ombudsman of the International Finance Corporation and the Multilateral Investment Guarantee Agency, to which the Examiner Ms. Kakegawa attended. In the Annual Meeting, the participants shared information and discussed topics such as trends in international development and IAM policy reviews being carried out in international financial institutions. On 8 October the IAMnet held a roundtable meeting with Civil Society Organizations. Through attending these meetings, the Examiners engaged in sharing information with, and strengthening the cooperation among, international financial institutions, overseas development assistance agencies, and CSOs.

2. GRAM Partnership

The Grievance Redress and Accountability Mechanisms Partnership (GRAM Partnership) is a network established by the Independent Redress Mechanism (IRM) of the Green Climate Fund (GCF), of which mandates include developing the capacity of GRAMs of Direct Access Entities³ and sharing lessons with accountability mechanisms of Accredited Entities including JICA. The Examiners of JICA participate in GRAM Partnership, and through attending its meetings and seminars, seek to enhance collaboration and cooperation with grievance redress mechanisms and accountability mechanisms of GCF and other institutions.

3. Sharing information on cofinanced projects

“Tanahu Hydropower Project” in Nepal (ODA loan) is being implemented as a co-financed project of Asian Development Bank (ADB), European Investment Bank (EIB), and JICA, to which a complain had been submitted from the local residents to the ADB (registration date is 3 January 2025) through its Office of the Special Project Facilitator (an independent body

³ Green Climate Fund (2022), *Providing Leadership to the Rising Grievance Redress and Accountability Mechanisms (GRAMs) Community of Practice: Concept Note*, p. 4.

that facilitates problem solving through means including communication by becoming a mediator between the project and the residents). Whereas EIB received a complaint from the residents on 3 June 2021 which is under investigation.

Regarding this case, ADB is continuing its site survey, problem-solving through consultations among the stakeholders, and other supports in collaboration with EIB and JICA's operational departments. The Examiners, upon receiving aforementioned information, inquired the operational departments of JICA on the status and environmental and social consideration regarding the project, and received explanation on 27 May 2025. According to the operational departments, project executing agencies are conducting quarterly monitoring based on the agreement concluded at the project review stage, and operational departments are working to ensure that environmental and social considerations are steadily implemented by the executing agencies. Since then, the Examiners have also received information from the ADB's officer in charge including the results of field survey. No request to raise objection has been submitted to JICA, but ADB, EIB, and JICA share the information concerned.

III. Management Structures

1. Examiners

Pursuant to the Objection Procedures, the Examiners are selected the by the selection committee that consists of members from the realms of academia, the business community, the government of Japan, the government of developing countries, NGOs, etc., and are appointed by the President of JICA.

The Objection Procedures states that JICA assigns two or three Examiners. On 1 July 2022 Ms. KAKEGAWA Michiyo (Professor, Faculty of Economics and Business Administration, SOKA University) and Mr. SAKUMOTO Naoyuki (Honorary Researcher, Institute of Developing Economics-Japan External Trade Organization) were appointed as Examiners, and on 1 September 2024 Mr. MURAYAMA Takehiko (Professor, Department of Transdisciplinary Science and Engineering, School of Environment and Society, Tokyo Institute of Technology until March 2026, Visiting Professor, Research Center for Social Transformation, Saitama University from April 2026) was appointed as Examiner.

2. Secretariat of the Examiners

A secretariat is set up by JICA to support the Examiners' duties and to process administrative works in relation to the Examiners.

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