

**MINUTES OF MEETING
BETWEEN
JAPAN INTERNATIONAL COOPERATION AGENCY
AND
THE AUTHORITIES CONCERNED OF THE GOVERNMENT OF THE
REPUBLIC OF PALAU
ON
TECHNICAL COOPERATION PROJECT FOR STUDY OF UPGRADING
AND MAINTENANCE OF THE NATIONAL ELECTRICAL POWER GRID
IN
THE REPUBLIC OF PALAU**

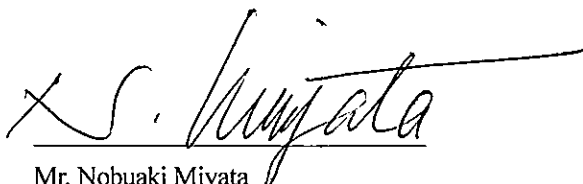
(The 2nd Detailed Planning Survey on Environmental and Social Considerations)

Japan International Cooperation Agency (hereinafter referred to as "JICA") has dispatched the 2nd Detailed Planning Survey on Environmental and Social Considerations (hereinafter referred to as "the Survey") to the Republic of Palau from 16th to 31st January, 2017 for the purpose of preparation of the technical cooperation regarding "The Project for Study of Upgrading and Maintenance of the National Electrical Power Grid in the Republic of Palau (hereinafter referred to as "the Project").

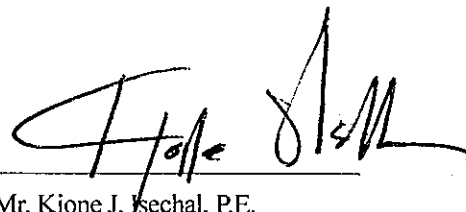
Both sides had a series of discussions for the purpose of working out the environmental and social consideration of the Project with the authorities concerned of Palau (hereinafter referred to as "the Palau side").

As the additional minutes of meeting which follows up the Detailed Planning Survey in October, 2016, both sides agreed the following discussions on the Environmental and Social Considerations of the Project.

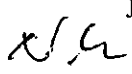
Koror, 30th January, 2017



Mr. Nobuaki Miyata
Resident Representative
Palau Office
Japan International cooperation Agency



Mr. Kione J. Sechal, P.E.
Chief Executive Officer
Palau Public Utilities Corporation



THE ATTACHED DOCUMENT

This document has been prepared for the better understanding of the Environmental and Social Considerations for the Project agreed between the Palau side and JICA.

The main items that had been discussed and agreed upon by both sides are summarized as follows.

1. Terms of Reference (Draft) for the Environmental and Social Considerations

Both sides agreed on the Terms of Reference (Draft) for the Environmental and Social Considerations for the Project as described in the attachment.

2. Cost Sharing for the Environmental and Social Considerations

Regarding cost sharing of the activities related to the Environmental and Social Considerations during the course of the Project, both sides agreed as follows;

- 1) The Palau side bears travel cost and per diem for the Palau participants for the stakeholder meetings,
- 2) JICA bears costs of renting conference halls (or rooms) for the stakeholder meetings if necessary and,
- 3) JICA bears costs for conducting appropriate environmental evaluation for the Pre-feasibility study on prioritized projects.

Attachment: Terms of Reference (Draft) for the Environmental and Social Considerations

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Terms of Reference for the Environmental and Social Considerations
(DRAFT)

The following exercise of Environmental and Social Considerations are conducted as part of the Project for Study of Upgrading and Maintenance of the National Electrical Power Grid in the Republic of Palau (hereinafter referred to as “the Project”).

(1) Rationale

The Project is a master plan study of the transmission and distribution system for the year 2030 and technical assistance for the reinforcement of operation & maintenance of transmission/ distribution lines. It is required to conduct appropriate Environmental and Social Considerations under the Palauan act, regulations and JICA’s Guidelines.

- Environmental Quality Protection Act (Republic Palau Public Law 1-58)
- National Code Chapter 2401-61 Environmental Impact Statement Regulations (Palauan Regulations); and,
- JICA Guidelines for Environmental and Social Considerations (2010).

(2) Environmental and Social Considerations for the Project

The Environmental and Social Considerations are conducted in the following two components.

- Setting of Power System Development Plan
- Pre-feasibility Study on prioritized projects

For the Setting of Power System Development Plan, a Strategic Environmental Assessment (SEA) shall be conducted. Updating the power development plan, future development plan of renewable energy shall also be well examined and integrated into the SEA.

For the Pre-feasibility Study on prioritized projects, appropriate environmental and social considerations shall be conducted and necessary recommendations shall be made.

(3) Description of the SEA

1) Objectives

The objectives are;

- (a) To identify and assess potential impacts induced by the Project,
- (b) To avoid, reduce and mitigate these impacts,
- (c) To collect comments from stakeholders and reflect them to options proposed by the Project,

- (d) To evaluate the options from technical, financial and environmental points of view and,
- (e) To select the optimal option for the Project.

2) Study area of the SEA

Babeldaob, Koror and Malakal Islands

3) Methodology and the flow of the implementation of the SEA

- (a) Baseline surveys are conducted on the environmental and social conditions of the Study areas. Secondary data are utilized for the surveys. The following items should be well surveyed.
 - Policies, laws and regulations of Palau related to the environmental and social considerations (including Environmental Impact Assessment),
 - Natural conditions such as protected area system, internationally recognized important habitats and endangered species and,
 - Social conditions such cultural heritages and vulnerable people.
- (b) Planning options with which potential negative impacts on the social and natural environments are avoided, reduced and mitigated as much as possible.
- (c) A scoping for each option is conducted.
- (d) Based on the results of the scoping, social and environmental surveys are conducted to collect more information if necessary.
- (e) Impacts of the options are analyzed and evaluated, and the evaluation is conducted from technical, financial and environmental points of view.
- (f) Mitigation measures and a monitoring system of the selected option are recommended.
- (g) Comments from stakeholders are collected and reflected in the process of developing the options and selecting the optimal option. It is therefore required to hold stakeholders meetings.
- (h) Stakeholders meetings (SHM) are held during the course of the Project. Table 1 shows a proposed framework of the SEA, and two (2) SHMs are suggested (shaded steps in the Table 1). Stakeholders shall be identified in the early stage of the Project.

Table 1 Proposed flow of the SEA

No.	Step	Note
1	Information analysis	To evaluate and analyse data collected by Palau Public Utilities Corporation (PPUC) and the JICA Study Team.
2	Formulation of options	To formulate options by Palau Public Utilities Corporation (PPUC) and the JICA Study Team.
3	1 st SHM	To explain the options and collect opinions from related stakeholders.
4	Formulation of the optimal scenario	Based on the opinions, an optimal scenario are further developed and evaluated from environmental/ social, economic and technical points of view. The optimal scenario is formulated.
5	2 nd SHM	The optimal scenario is presented and approved at the 2nd SHM.
6	Review and approval	The final report is reviewed and approved by the Government of Palau.

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(4) Implementation Organizations of the SEA and other Environmental and Social Considerations for the Project

The Environmental and Social Considerations including the SEA shall be conducted by Palau Public Utilities Corporation and the JICA Study Team.

End of the document

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