

Guidelines for Environmental and Social Considerations

Effectuation of Guidelines for Environmental and Social Considerations

On July 1, 2010, the Guidelines for Environmental and Social Considerations (hereafter, the “new Guidelines”) and the Objection Procedures based on the Guidelines for Environmental and Social Considerations (hereafter, the new “Objection Procedures”) were put into effect. JICA consolidated the different guidelines for environmental and social considerations used by the former JICA and JBIC into a single set of guidelines, and strengthened requirements for environmental and social considerations. Taking into consideration the former JICA and JBIC guideline provisions that assure transparency, in February 2008, JICA established a committee for revising the guidelines, which is composed of academics as well as persons from non-governmental organizations (NGOs), private sector and related ministries, and commenced deliberations on the new Guidelines. Subsequently, efforts for formulating the new Guidelines were carried out until March 2010, taking into consideration the discussions by the committee, which convened 33 times, as well as public comments.

When implementing development projects, adverse environmental and social impacts are expected. These include effects on such areas of the natural environment as air, water and soil, as well as ecosystems, and also encompass involuntary resettlements and respect for the human rights of indigenous peoples. To realize sustainable development, it is necessary to internalize these environmental and social impacts within the development process. The initiative for realizing this internalization is environmental and social considerations. The new Guidelines express the requisites asked of the project proponent and the responsibilities of and procedures implemented by JICA that are essential for the environmental and social considerations.

The new Objection Procedures express a series of procedures for submitting objections to JICA by the residents who have suffered actual damage or who are likely to suffer damage in the future as a result of JICA's non-compliance with the new Guidelines and for investigating the facts and for encouraging dialogues between the parties concerned.

The new Guidelines and the new Objection Procedures are applied to the projects whose applications are made on or after July 1, 2010. Cooperation projects covered are a) Loan Aid, b) Grant Aid (excluding projects executed through international organizations), c) Preliminary studies of Grant Aid undertaken by the Ministry of Foreign Affairs (MOFA) of Japan, d) Technical Cooperation for development planning, and e) Technical Cooperation projects and preparatory surveys. The principal features of the new Guidelines are as follows.

1) Consolidation of Procedures for Technical Cooperation, Loan Aid and Grant Aid

Under the new Guidelines, the scheme-wise procedures previously operated under two guidelines have been consolidated into single common procedure, corresponding to seamless management of three forms of assistance in new JICA's operation.

2) Strengthening the Requirements for Environmental Review

The requirements for environmental and social considerations are strengthened. For example, in case of involuntary resettlement, prior compensation at full replacement cost must be provided to the extent possible. When projects may have adverse impacts on indigenous peoples, efforts must be made to obtain the consent of indigenous peoples in a process of “free, prior and informed consultation.” With such revision, the consistency with the World Bank's Safeguard Policies is increased.

3) Enhancing the Involvement of the Advisory Committee

Under the new Guidelines, the Advisory Committee comprised of external experts gives advice as needed mainly on the Category A projects, not only in preparatory surveys but also at the environmental review and monitoring stages.

4) Enhancing Information Disclosure

Environmental permit certifications, RAP (Resettlement Action Plans), IPP (Indigenous People Plans) and monitoring results are newly added as information to be disclosed. JICA discloses the result of categorization on the JICA website before making the decision to undertake preparatory surveys. For the Category A projects (likely to have significant adverse impacts), JICA then discloses a) final reports or equivalent documents of preparatory surveys, b) EIA reports (120 days prior to concluding agreement documents) and environmental permit certifications, and c) RAP and IPP (if preparations are required) prior to environmental review. Further, JICA discloses the results of environmental reviews after the agreement documents are concluded and also the results of monitoring subject to approval by project proponents on its website.

The recent enforcement of the new Guidelines and the new Objection Procedures respond to the new JICA's implementation flows and will enhance information disclosure, which will further raise JICA's transparency and accountability for its environmentally and socially conscious operations.

JICA will continually pursue initiatives to further enhance its environmental and social considerations taking into consideration the new Guidelines and Objection Procedures.



Stakeholder meeting in India

Procedures for Confirmation of Environmental and Social Considerations

It is essential to thoroughly confirm environmental and social considerations before the decision-making process concerning project implementation. The new Guidelines divide the process of confirming environmental and social considerations into three stages, as follows: "Screening" classifies projects into four appropriate environmental categories; "Environmental Review" confirms the appropriateness of environmental and social considerations made for the projects; and "Monitoring" takes place after decisions are made.

Projects are screened based on the screening form submitted by the project proponents and classified into four categories depending on the degree of environmental impact. The classification is swiftly made public on the JICA website. If there is a deficiency in documents on environmental and social considerations prepared by the project proponent, when necessary, JICA will implement a preparatory survey and provide support for the environmental and social consideration procedures of the project proponent.

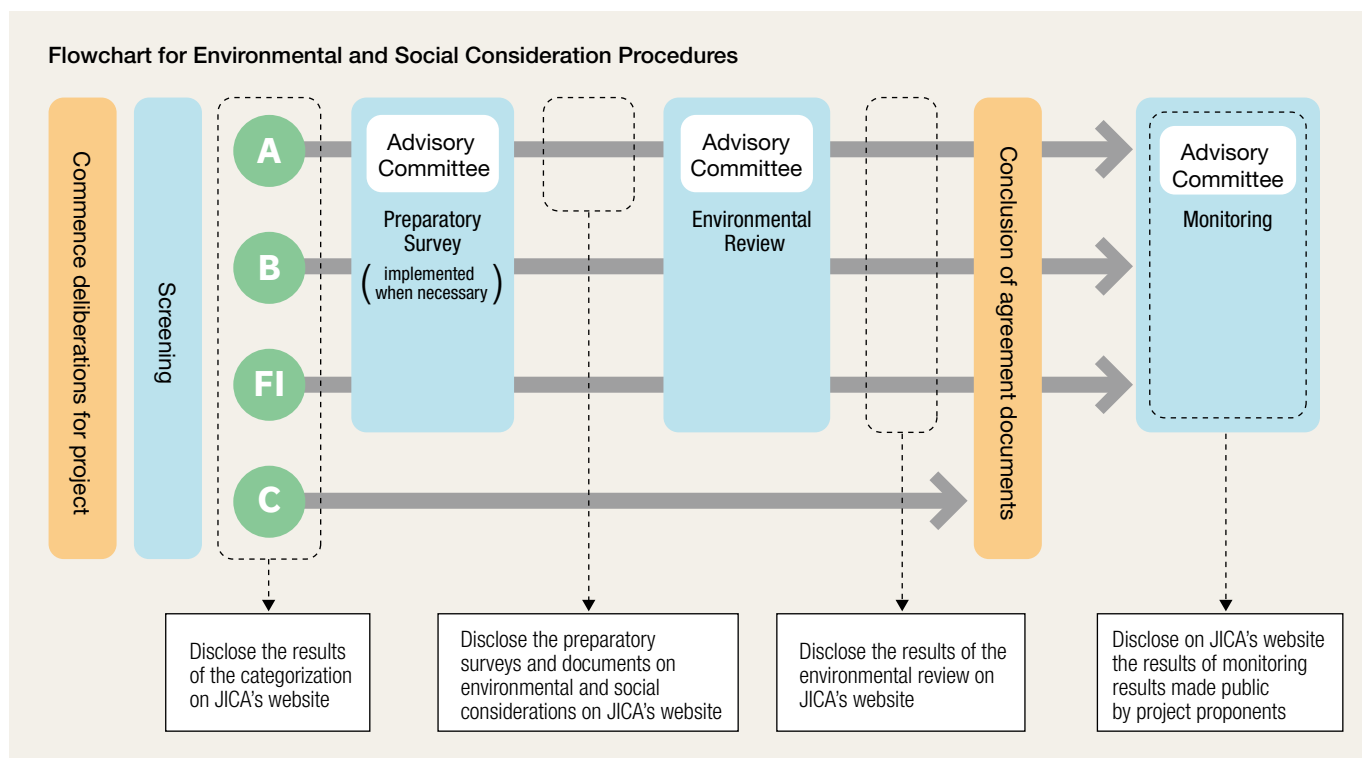
Next, an environmental review is conducted based on procedures specific to each classified category. For example, if the project is classified as Category A, an environmental review which includes on-site visits is conducted based on the Environmental Impact Assessment (EIA) report submitted by the project proponent. The results of environmental reviews are made public on the JICA website as the "Ex-ante Evaluation Report" after the conclusion of

agreement documents.

Under the new Guidelines, JICA discloses the results of monitoring on its website to the extent that these are made public by project proponents. The Advisory Committee of Environmental and Social Considerations, which is composed of external experts, provides advice to JICA mainly at the preparatory survey, environmental review and monitoring stages for Category A projects.

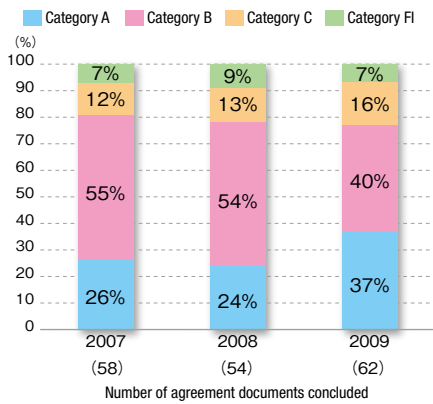
Categorization

Category A	Projects which are likely to have a significant adverse impact on the environment. In principle, they include the following: 1) Projects in sensitive sectors, 2) Projects that have characteristics that are liable to cause adverse environmental impacts, 3) Projects located in or near sensitive areas.
Category B	Projects whose adverse impacts on the environment and society are less adverse than those of Category A projects.
Category C	Projects which are likely to have minimal or little adverse impact on the environment and society.
Category FI	Projects in which JICA's funding of projects is provided to a financial intermediary or executing Agency and for which the sub-projects cannot be specified prior to JICA's approval of funding (or project appraisal).

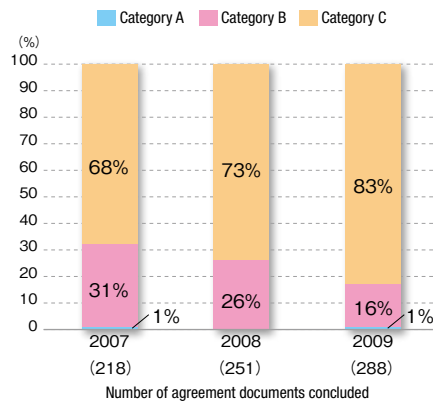


Category Composition Trends

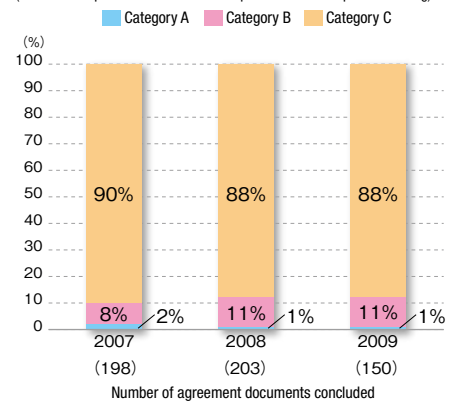
Loan Aid



Grant Aid



Technical Cooperation Projects (Technical Cooperation and Technical Cooperation for Development Planning)



Establishment of Objection Procedures

To assure compliance with the new Guidelines, the Objection Procedures for the former JICA and JBIC have also been integrated. The objectives of the new Objection Procedures are to 1) investigate whether JICA has complied with the new Guidelines and report the results to the President, and 2) encourage dialogues between the parties concerned with their consent in order to assist in the early resolution of disputes concerning specific environmental and/or social problems caused by the project for which JICA provides assistance that have arisen due to JICA's

non-compliance with the new Guidelines. JICA has appointed two Examiners for the Guidelines under the direct control of the President. Specific procedures are prescribed under the new Objection Procedures. Details are shown in the chart below.

The Examiners also engage in public relations activities and disclosure of information and their activities are publicized each year in the annual report. During the course of fiscal 2009, there were no objections submitted.

Objection Procedures Flowchart

