

Guidelines for Environmental and Social Considerations

Effectuation of Guidelines for Environmental and Social Considerations

The guidelines for Environmental and Social Considerations implemented by former JICA and JBIC were revised along with the Objection Procedures, and 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.

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

In the past, the guidelines of the former JBIC had been applied for Loan Aid, while the guidelines for the former JICA were applied for Grant Aid and Technical Cooperation. These have now all been integrated into a single set of guidelines.

2. Strengthening the Requirements for Environmental Review

The former JICA and JBIC guidelines provided requirements to be used as a standard that should be complied with in developing countries. The new guidelines, however, boast a higher degree of compliance with the safeguard policies of the World Bank by confirming that there are no major disparities with these policies.

3. Enhancing the Involvement of the Advisory Committee

Under the new Guidelines, advice is provided for JICA reporting as required during preparatory cooperation screenings (survey stage), environmental reviews (screening stage), and monitoring (implementation stage).

4. Enhancing the Scope of Information Disclosure

In the new Guidelines, environmental approval certifications, resettlement plans, indigenous people plans, and monitoring results of partner governments have been added to the scope of information disclosure. Furthermore, major reports are also being disclosed prior to environmental reviews.

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 project. 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



A citizens' meeting in India

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 new Objection Procedures are being applied to projects for which requests were received on July 1, 2010 and after. The scope of these guidelines includes the following cooperation projects and their preparatory surveys:

- a. Loan Assistance
- b. Grant Aid (excluding aid provided through international organizations)
- c. Preliminary surveys conducted by JICA on Grant Aid undertaken by the Ministry of Foreign Affairs
- d. Technical Cooperation for Development Planning
- e. Technical Cooperation projects

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.

Furthermore, for Category A projects and Category B projects that have been recognized as requiring advice, the Advisory

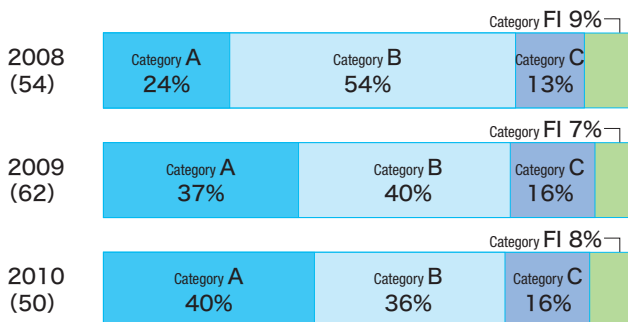
Committee of Environmental and Social Considerations provides advice to JICA during the environmental review and monitoring stages.

Categorization

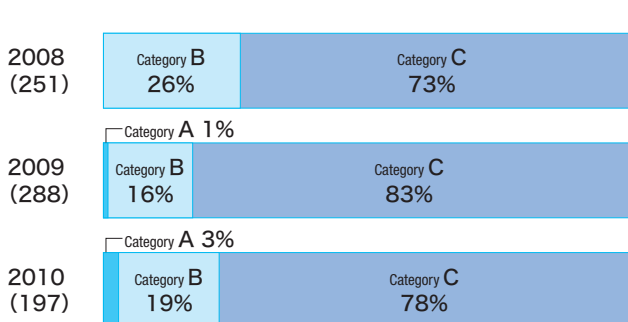
Category A	Projects which are likely to have a significant adverse impact on the environment. In principle, they include the following: 1) Projects in sensitive sectors, 2) Projects that have characteristics that are liable to cause adverse environmental impacts, 3) Projects located in or near sensitive 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

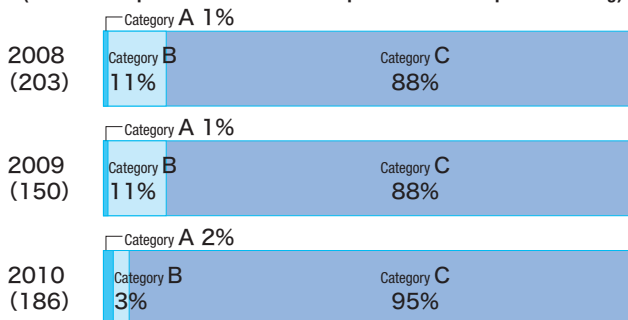


■ Grant Aid



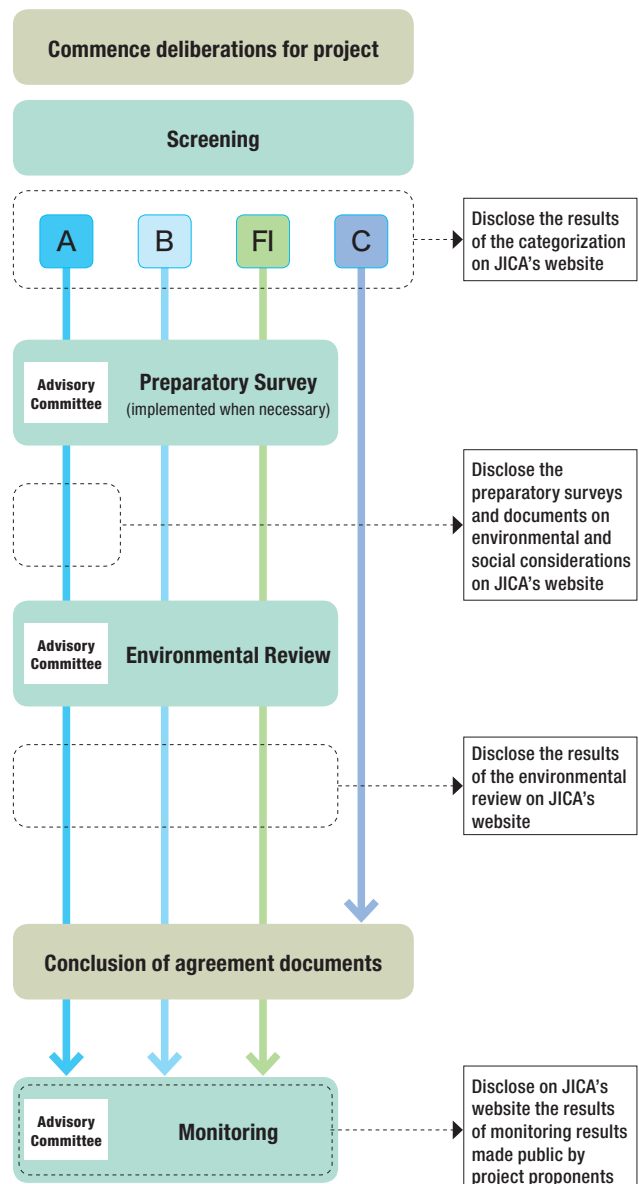
■ Technical Cooperation Projects

(Technical Cooperation and Technical Cooperation for Development Planning)



*Figures in parentheses denote the number of agreement documents concluded.

Flowchart for Environmental and Social Consideration Procedures



Implementation System

■ Establishment of the Environmental and Social Consideration Supervision Division

The responsibility to pay environmental and social consideration during a project lies with the party that implements the project, such as the partner country. However, it is important for JICA, as a cooperating partner in these projects, to confirm such efforts and to provide the necessary support and take appropriate measures.

The new Guidelines ensure that a higher degree of effort is exerted at the monitoring stage, including the disclosure of monitoring information for JICA projects being implemented and the reporting of monitoring situations to the Advisory Committee of Environmental and Social Considerations. In order to accommodate these changes, a new Environmental and Social Consideration Supervision Division has been established within the Evaluation Department.

This new Section works to confirm that proper consideration is paid to the environment and to society at the project implementation level together with the regional department overseeing the project's management, the issue-related department, the loan aid department, and the overseas office. At the same time, this Section provides assistance and advice while cooperating with experts. Moreover, the Section works to accumulate the lessons learned during monitoring at JICA and to reflect them in new project screenings and project management.

■ Activities of the Advisory Committee for Environmental and Social Considerations

In unison with enacting the new Guidelines, JICA has established the Advisory Committee for Environmental and Social Considerations as a permanent third-party institution formed by external experts in order to acquire advice concerning the support and confirmation of environment and social considerations in cooperation projects. This Committee is a system unique to JICA that seeks external advice on environmental and social considerations in the decision-making processes of projects.

The Committee comprises 19 members (academics, NGO staff, etc.) of various specialties, including environmental legal systems, ecosystems, resettlement, and citizen participation. Committee meetings are expected to help reduce risks associated with environmental and social considerations.

The Committee's meetings are held in a public forum. The advice given at the meetings along with the minutes of each meeting are made public, boosting the transparency and credibility of JICA's decision-making process and making it visible to the public.

In fiscal 2010, working group meetings at which several members convened to consider matters and draft proposed recommendations were held 22 times from July 2010 when



Confirming environmental and social considerations through a local survey in Indonesia.



The Advisory Committee of Environmental and Social Considerations

the Committee was established, while general meetings where all members convened to confirm the advice of those recommendations were held on 10 occasions [→ See the JICA website: <http://www.jica.go.jp/environment/advice/giji.html> (Japanese)].

■ 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.

The Examiners also engage in public relations activities and

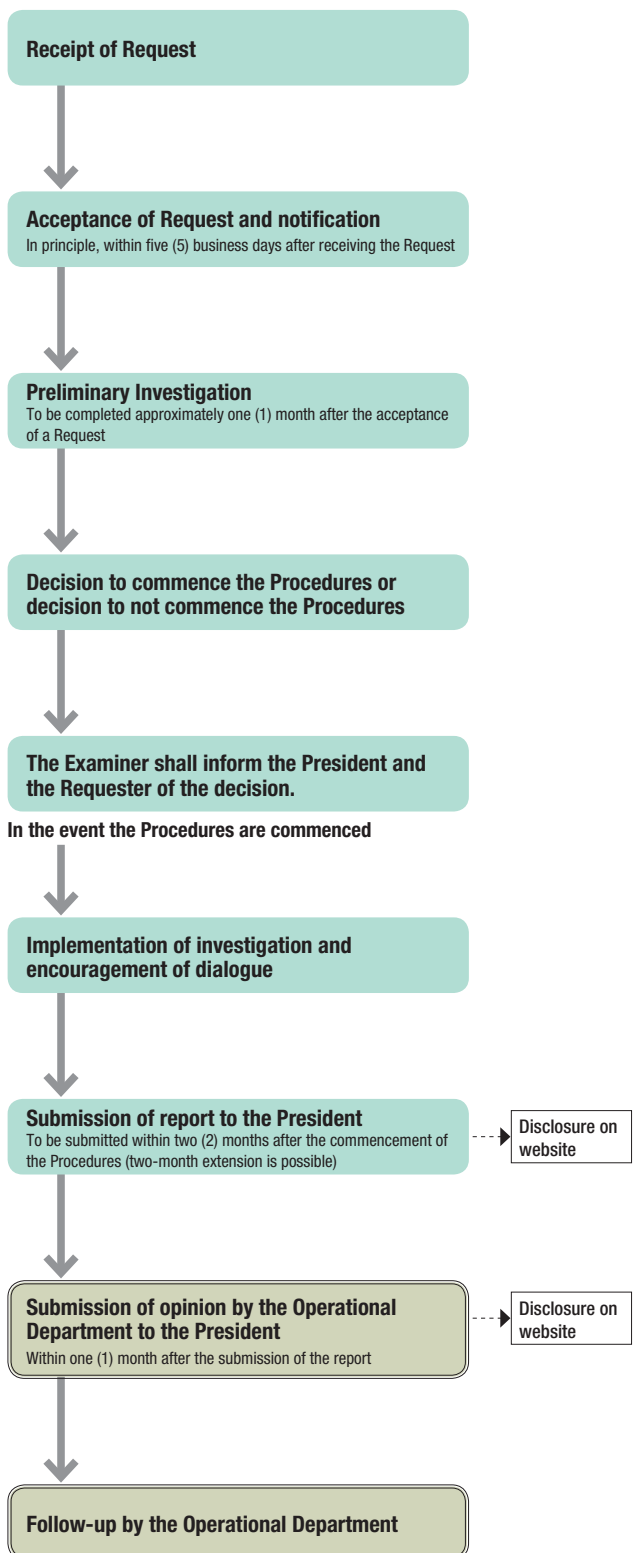
disclosure of information and their activities are publicized each year in the annual report. During the course of fiscal 2010, there were no objections submitted.

■ Collaboration and Cooperation with Major International Organizations

The new Guidelines confirm that there are no significant

Objection Procedures Flowchart

Examiner Operational Department



disparities between the safeguard policies of the World Bank (guidelines indicating environmental and social consideration requirements that the World Bank complies with and requests of partner governments), and, when determined appropriate, the New Guidelines refer to standards created by Multilateral Development Banks (MDBs). JICA collaborates and cooperates with various aid agencies for the purpose of assessing global trends in environmental and social consideration and disseminating information on its own environmental and social consideration undertakings.

- Participation in the 30th conference by the International Association for Impact Assessment (IAIA) (Geneva, Switzerland; April 2010)
- Participation in the Safeguard Policy conference with the Export-Import Bank of China and the Export-Import Bank of Korea (Bangkok, Thailand; October 2010)
- Participation in the Working-Level conference on Environmental and Social Consideration in Multilateral Financial Institutions (Washington, United States; November 2010)
- Confirmation and collaboration of safeguard policy operations with the World Bank, International Finance Corporation, and Asian Development Bank (as required)