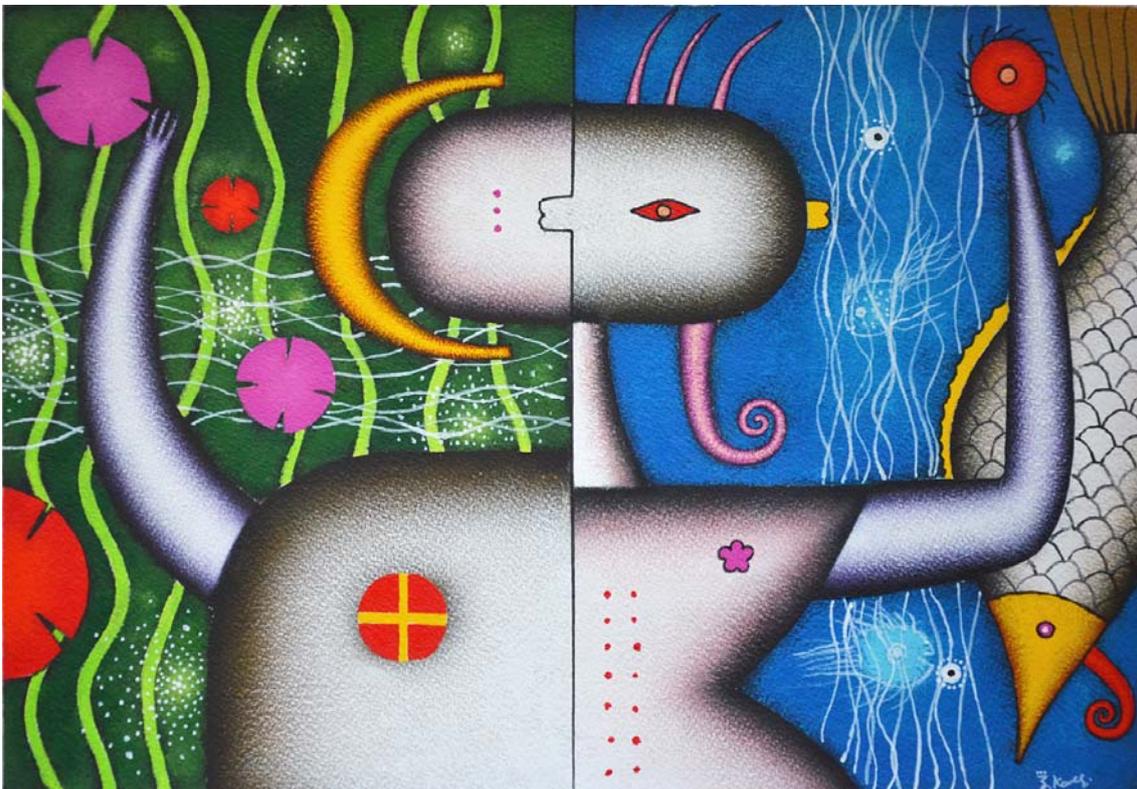




The Basics of Environmental and Social Considerations

Introduction to the JICA Guidelines for
Environmental and Social Considerations



JICA

The Basics of the Environmental and Social Considerations
(Introduction to JICA Guidelines for Environmental and Social Considerations)

Compiled by:

Environmental and Social Considerations Supervision Division,
Credit Risk Analysis and Environmental Review Department,

Japan International Cooperation Agency

Nibancho Center Building 5-25, Niban-cho, Chiyoda-ku,

Tokyo 102-8012, JAPAN

TEL: +81-3-5226-8190 / 8198, FAX: +81-3-5226-6371

E-mail: erte2@jica.go.jp

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Preface

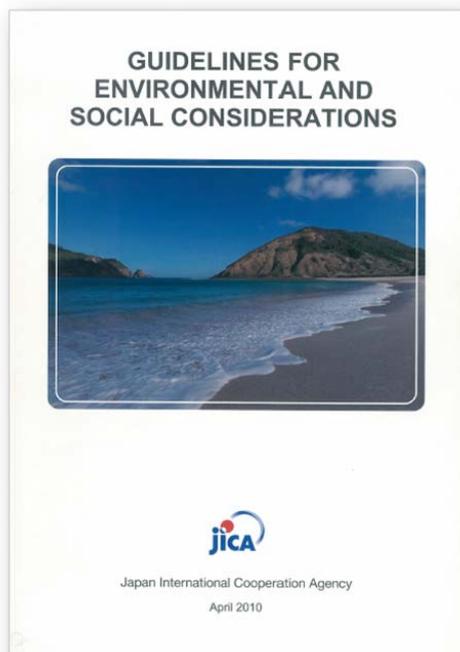
The Japan International Cooperation Agency (JICA) is an independent governmental agency that implements Official Development Assistance of Japan. JICA assists the economic and social growth of developing countries and promotes international cooperation through schemes including Technical Cooperation, Loan Aid, Grant Aid, Volunteer Programmes, and Emergency Disaster Relief. In 2010 JICA adopted a new set of guidelines for Environmental and Social Considerations to ensure that its assistance will lead to sustainable development.

Purpose of this Brochure

The purpose of this brochure is to introduce the basic contents of the JICA Guidelines for Environmental and Social Considerations (**ESC Guidelines**) to non-JICA personnel, including JICA's partners and people involved in projects supported by JICA. This brochure is designed to provide an overview of the requirements and procedures set by the ESC Guidelines; **it does not cover all aspects of ESC nor does it cover every procedure required**. For more information, readers are strongly advised to consult the ESC Guidelines itself, which can be downloaded from the JICA website at:

<http://www.jica.go.jp/environment/guideline/index.htm>.

(See page 17 for more information.)



The ESC Guidelines were drafted by a committee composed of academics, representatives of NGOs, the private sector, and related ministries through 33 meetings (in the course of two years), which were open to the public. The draft was disclosed globally for public comment and two public hearings were held in Japan.

Basic Facts

■ What are Environmental and Social Considerations (ESC)?

A project aiming for economic and social development may nevertheless entail a risk of having negative impacts on the environment or society, such as pollution, loss of natural habitat, involuntary resettlement, and infringement of people's rights. Avoidance or minimization of such risks must be realized as an integral part of the project itself, with its cost included into the development cost.¹ This is the gist of Environmental and Social Considerations, and they must be applied to JICA projects in accordance with the Guidelines for Environmental and Social Considerations (ESC Guidelines).

■ Who is responsible for ESC?

Proponents of the project, such as the governmental body that implements the project, bear responsibility for Environmental and Social Considerations (ESC). JICA is accountable for ESC of the project it supports, and to this end, JICA confirms the implementation of ESC by the project proponents through an Environmental Review (see pp. 14-15) and supervision of monitoring (p. 15). JICA may also provide technical support for ESC through its studies and Technical Cooperation schemes.

■ What would happen if the required ESC were not put into practice?

Project proponents shall inform JICA if there is any difficulty or delay in putting ESC into practice, or if unanticipated impacts on the environment or society have been identified. JICA will take the necessary measures to ensure that the project proponents comply with the ESC Guidelines, but if it becomes apparent that the project cannot meet the conditions set out by the ESC Guidelines, JICA may opt to suspend its assistance in accordance with the written agreement between JICA and the project proponents.²

¹ ESC Guidelines: 1.1 Policy; Appendix 1. '1. Underlying Principles'.

² ESC Guidelines: 2.8 Decision-making by JICA.

■ Application of the ESC Guidelines³

The ESC Guidelines apply to following schemes:

▶ Loan Aid projects



Delhi Mass Rapid Transport System Project in India (Shinichi Kuno/JICA), Industrial Ring Road Construction Project in Thailand (Yasuhiko Okuno/JICA), and Tiete River Basin Depollution Project in Brazil (Shinichi Kuno/JICA).

▶ Grant Aid projects

(Excluding projects executed through international organizations)



Project for the Improvement of the Equipment for Road Maintenance in Issyk-Kul and Chui Oblasts, Kyrgyz Republic (Shinichi Kuno/JICA), The Project for Urgent Improvement of Water Supply System in Bemos-Dili, Timor-Leste (Shinichi Kuno/JICA), and The Project for Rehabilitation of National Trunk Road N8 in Ghana (Akio Iizuka/JICA)

▶ Technical Cooperation Projects



Technical Cooperation Project for Capacity Development on Sustainable Road Maintenance and Management in Juba, South Sudan (Shinichi Kuno/JICA), Project for Capacity Development and Establishment of Road Maintenance Management System in Afghanistan (Raymond Wilkinson/JICA), and Solid Waste Management Project for the Pacific in Samoa (Kenshiro Imamura/JICA).

▶ Preliminary Studies for Grant Aid

Undertaken by Japan's Ministry of Foreign Affairs (MOFA)

▶ Technical Cooperation for Development Planning

³ ESC Guidelines: 1.3 Definitions '3. Cooperation Projects'

Basic Principles

The basic principles behind the ESC Guidelines include the following:

► ESC are a prerequisite for JICA's assistance

ESC are *sine qua non* for JICA's assistance. If a significantly adverse impact on the environment or society has been identified during JICA-assisted project planning*, JICA will take the necessary measures to ensure that the appropriate ESC will be given.⁴ When JICA reviews a project proposal and finds that the project could have a negative impact on the environment or society, JICA advises the project proponents to provide appropriate ESC. If the negative impact of the project cannot be avoided or mitigated to an acceptable level, JICA will not support its implementation.⁵

(*:Such as Preparatory Surveys, Technical Cooperation for Development Planning, and Preliminary Studies of Grant Aid Projects undertaken by MOFA)

► Respect human rights for inclusive development

A development project should aim for the fair distribution of its benefits and must not burden or exclude some stakeholders for the sake of others.⁶ To this end, the project proponents must respect the rights of all people concerned, and pay special attention to vulnerable social groups such as women, the elderly, the poor, people with disabilities, indigenous peoples, ethnic minorities, and other minority groups to ensure that they are involved in decision-making processes and that they benefit from the project.⁷

► Avoid adverse impacts

Priority should be given to the avoidance of adverse impacts on the environment or society.⁸ Minimization or mitigation of impacts should be considered only if avoidance is not feasible and if the benefit of the project outweighs the cost of mitigation measures. To this end, the project proponents must assess the environmental and social impacts at the earliest possible stage of planning, and implement ESC measures in accordance with the ESC Guidelines.⁹

⁴ ESC Guidelines: 2.8.2 Technical Cooperation for Development Planning and Preliminary Studies of Grant Aid Projects undertaken by MOFA.

⁵ ESC Guidelines: 2.8.1 Loan Aid, Grant Aid, and Technical Cooperation Projects.

⁶ ESC Guidelines: 1.1 Policy; 2.3 Impacts to be Assessed.

⁷ ESC Guidelines: 2.5 Concerns about Social Environment and Human Rights; Appendix 1. '5. Social Acceptability'.

⁸ ESC Guidelines: Appendix 1. '2. Examination of Measures'.

⁹ ESC Guidelines: Appendix 1. '1. Underlying Principles'.

Important Points

The essential points of the ESC Guidelines include the following:

■ A wide range of impacts must be addressed¹⁰

These impacts include, but are not limited to, the following.¹¹

Impacts on the environment

- ▶ Pollution (e.g., impacts on air, water, and soil and impacts caused by waste)
- ▶ Impacts on biota and ecosystems¹²
- ▶ Trans-boundary or global impacts including climate change and loss of biological diversity

Impacts on society

- ▶ Involuntary resettlement, migration, and urbanization
- ▶ Unfair distribution of benefits, local conflicts of interest, and impacts on local economy
- ▶ Impacts on vulnerable populations such as indigenous peoples and the poor, gender equality, and children's rights
- ▶ Impacts on community health and safety (including accidents and epidemics such as HIV/AIDS)
- ▶ Impacts on, or caused by, the labour environment (including occupational health and safety)
- ▶ Impacts on social structures, social infrastructures, and social services
- ▶ Impacts on cultural heritage

In addition to the direct and immediate impacts of the project, the derivative, secondary, and cumulative impacts as well as impacts of associated and indivisible projects must be considered.

■ Participation of local stakeholders is crucial

The ESC Guidelines defines 'local stakeholders' as local residents (including non-titleholders) who could be affected by the project, and local NGOs. By involving local stakeholders from the early stage of the project, the project

¹⁰ ESC Guidelines: 1.4 Basic Principles Regarding Environmental and Social Considerations

¹¹ ESC Guidelines: 2.3 Impacts to be Assessed

¹² ESC Guidelines: Appendix 1. '6. Ecosystem and Biota'

proponents can receive their inputs and plan appropriate measures to address their concerns, avoid conflict, and achieve higher results with their support. For this reason, the project proponents should conduct a series of consultations with local stakeholders in an interactive and meaningful manner. During this process, appropriate consideration must be given to socially vulnerable or different people such as women, children, the elderly, and ethnic minorities.¹³

Information on ESC must be disclosed to the public

Information disclosure is key in ESC. Project proponents must proactively release relevant information* to the public.¹⁴ By sharing information with a wide range of stakeholders from the early stage, the project proponents can utilize their feedback to improve the plan/project. In addition, the project proponents can ensure that unnecessary concerns and misunderstandings among the stakeholders are ameliorated.

(*Excludes personal information that may compromise the privacy of project-affected peoples when disclosed¹⁵ or information that requires confidentiality for commercial reason.¹⁶)

Standards and references¹⁷

Host country's laws, standards, policies and plans

ESC in a JICA project must comply with the laws, standards, policies, and plans of the host country. If the standard set by the host country differs from the international standard, the project proponents are advised to adopt the standard that better serves the purpose of attaining a higher level of ESC.

The World Bank's Safeguard Policies

ESC in a JICA project must be in line with the World Bank's Safeguard Policies including Operational Policy on Environmental Assessment (OP 4.01), Natural Habitats (OP 4.04), Involuntary Resettlement (OP 4.12), Indigenous Peoples (OP 4.10), and other relevant policies.

Internationally accepted standards

International standards, treaties, and declarations should also be applied as appropriate.

¹³ ESC Guidelines: Appendix 1. '5. Social Acceptability'.

¹⁴ ESC Guidelines: 1.4 Basic Principles Regarding ESC.

¹⁵ Chapter 2, Personal Information Protection Law (2003) of Japan.

¹⁶ ESC Guidelines: 2.1 Information Disclosure.

¹⁷ ESC Guidelines: 2.6. Laws, Regulations and Standards of Reference; Appendix 1. '4. Compliance with Laws, Standards, and Plans'

Environmental Categories

Each project is classified by JICA into one of the following Environmental Categories based on the magnitude of its potential impact on the environment or society. In other words, the category indicates the level of ESC required.

■ Category A

The project is likely to have significantly adverse impacts on the environment or society. For example:¹⁸

- ▶ A project with a wide range of impacts, impacts that are irreversible, complicated, or unprecedented, and impacts that are difficult to assess.
- ▶ A project for a sector that requires special attention (e.g., a sector that involves large-scale infrastructure development), involves activity that requires careful consideration (e.g., large-scale involuntary resettlement), or takes place inside or adjacent to a sensitive area (e.g., protected natural habitat).

Examples of sectors, activities, and areas that require special attention are listed in 'Appendix 3' of the ESC Guidelines.



Large-scale infrastructure development projects, such as building a highway or international port as shown above, are likely to be classified as 'Category A' due to the magnitude of impacts they may have on the environment or local community.

(Left: Southern Highway Construction Project in Sri Lanka; right: Cai Mep Thi Vai International Port Construction in Viet Nam)

¹⁸ ESC Guidelines 2.2. Categorization '2. Category A'

Photo credits from left: Cai Mep Thi Vai International Port Construction in Viet Nam (Koji Sato/JICA); Southern Highway Construction Project in Sri Lanka (Shinichi Kuno/JICA).

■ Category B

The project may have adverse impacts on the environment or society, but these impacts are less significant than those of Category A projects. These impacts are site-specific; few, if any, of them are irreversible; in most cases, they can be mitigated more readily than Category A projects. Responsibilities of the project proponents include the planning and monitoring of necessary ESC activities. ESC procedures such as Initial Environmental Examination and stakeholder participation may be required, depending on the scale and nature of the adverse impacts.¹⁹

■ Category C

The project is likely to have minimal or no adverse impact on the environment or society.²⁰

■ Category FI

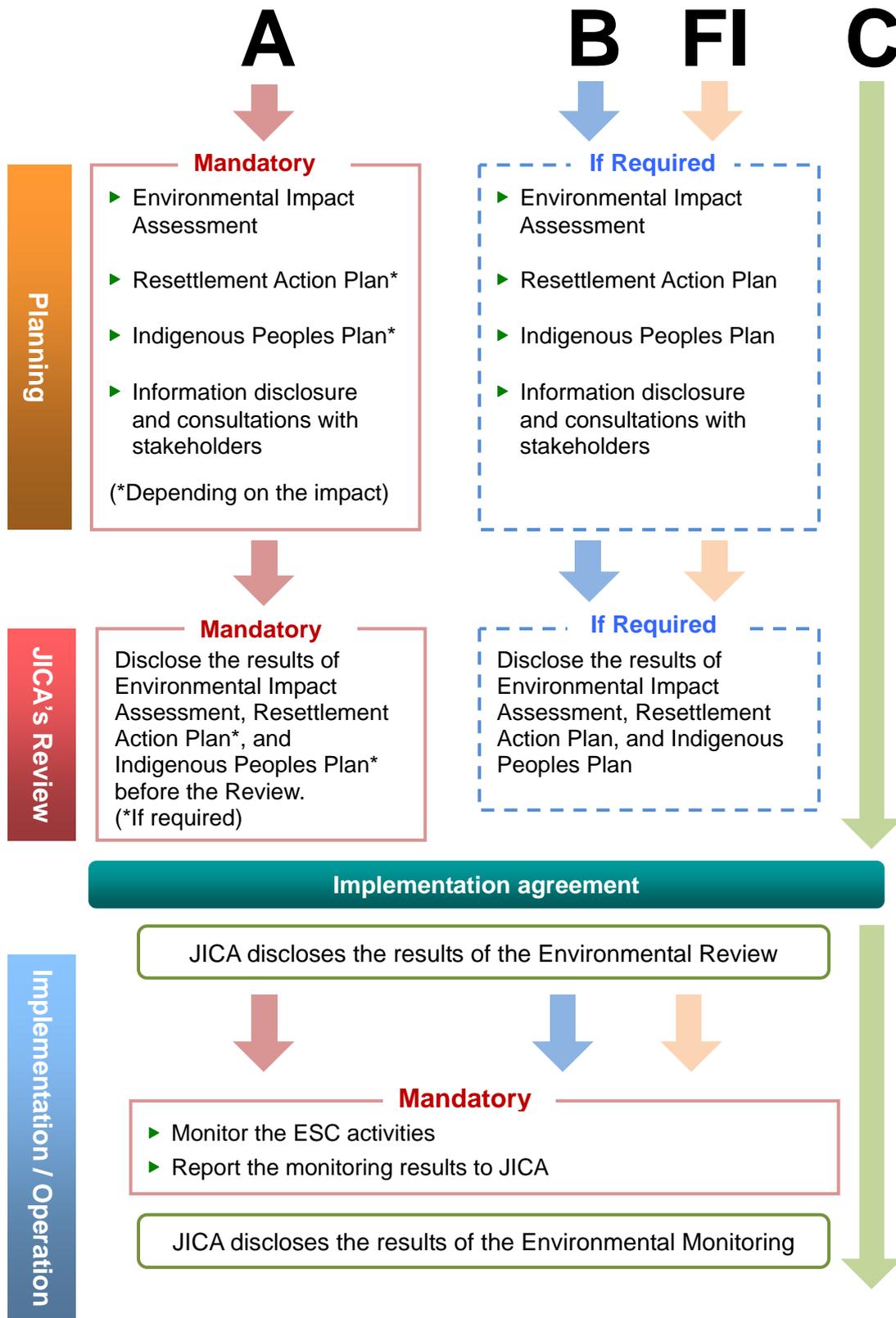
JICA provides funds to a Financial Intermediary, which in turn implements sub-projects that may have adverse impacts on the environment or society, but these impacts cannot be identified in detail prior to JICA's approval. If there is a sub-project that can be categorized as Category A, it needs to go through the same procedure as a Category A project including JICA's environmental review and information disclosure prior to its implementation.²¹

¹⁹ ESC Guidelines 2.2. Categorization '3. Category B'.

²⁰ ESC Guidelines 2.2. Categorization '4. Category C'.

²¹ ESC Guidelines 2.2. Categorization '5. Category FI'.

Examples of ESC Procedures by Category



N.B. The above process applies to projects carried out under any of the following schemes; Technical Cooperation, Loan Aid, or Grant Aid (see pp. 10-15 for more details). For studies carried out through Technical Cooperation for Development Planning, please refer to Section 3.4 of the ESC Guidelines.

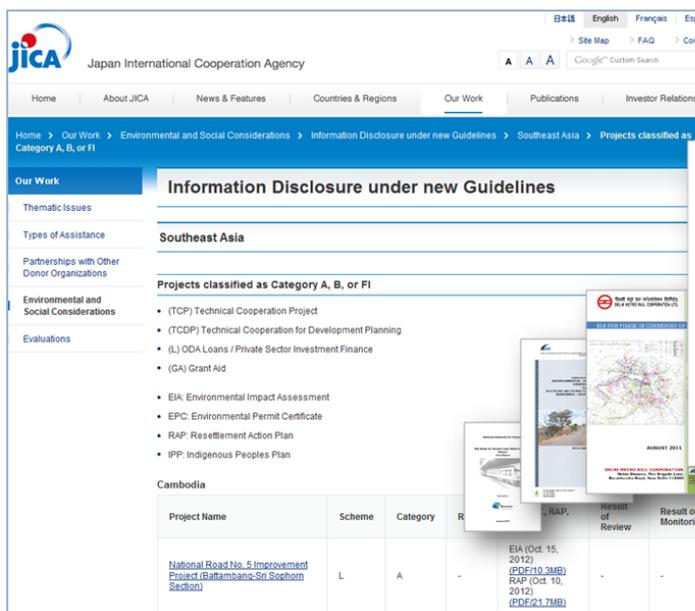
Key Documents

► Environmental Impact Assessment Report

When planning a development project, the project proponents must foresee its possible impacts on the environment and society, and consider the negative impacts together with the benefits of the project before making a decision. This is done through Environmental Impact Assessment (EIA), a process that involves detailed field survey, analysis of alternative plans, planning of mitigation and monitoring measures, and consultation with local stakeholders.²²

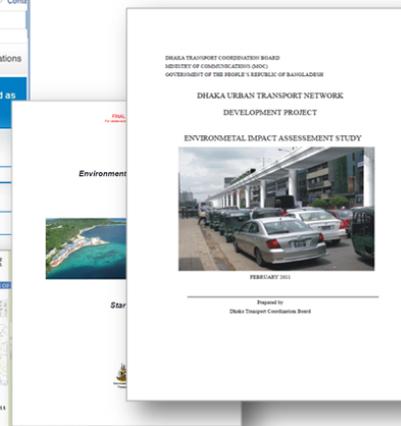


Assessing water quality in Neak Leung, Cambodia



The screenshot shows the JICA website's 'Information Disclosure under new Guidelines' page. It lists projects classified as Category A, B, or FI in Southeast Asia. A table at the bottom shows a project in Cambodia:

Project Name	Scheme	Category	R	EIA, RAP, IPP	Result of Review	Result of Monitoring
National Road No. 5 Improvement Project (Batambang-Set Srengom Section)	L	A	-	EIA (Oct. 15, 2012) PDF(10.3MB) RAP (Oct. 10, 2012) PDF(21.7MB)	-	-



http://www.jica.go.jp/english/our_work/social_environmental/id/index.html

EIA is mandatory for projects whose environmental category is A, and an EIA Report must be disclosed to the public through JICA's website for at least 120 days before the project proponents and JICA agree to implement the project.²³ Requirements for the EIA Report of a Category A project are described in Appendix 2 of the ESC Guidelines.

²² ESC Guidelines: Appendix 2. EIA Reports for Category A Projects

²³ ESC Guidelines: 3.2 Loan Aid, Grant Aid, and Technical Cooperation Projects; (1) Category A projects.

► Resettlement Action Plan

A Resettlement Action Plan (RAP) is a document in which the project proponents specify the procedures and actions to mitigate adverse effects, compensate losses, and provide development benefits to people affected by the involuntary resettlement caused by the project.²⁴ RAP is mandatory for a project that causes large-scale involuntary resettlement.²⁵

The objective of the RAP is to improve the living standards of the people affected, or at least restore them to the pre-project level. To this end, RAP should be developed together with the local stakeholders and address ESC requirements including **prior compensation at full replacement cost, support for livelihood, and provision of expenses for relocation and re-establishment of communities**. Also, it is desirable that the RAP covers issues listed in the World Bank's 'Operational Policy 4.12, Annex A'.²⁵



Developing RAP through consultation with local stakeholders in India (left) and in Cambodia (right).

► Indigenous Peoples Plan

An Indigenous Peoples Plan (IPP) must be formulated for a project that requires considerations for indigenous peoples. When preparing IPP, indigenous peoples who are likely to be affected by the project must be sufficiently informed and consulted. The ESC Guidelines advises that elements listed in the World Bank's 'Operational Policy 4.10 Annex B' be included in IPP.²⁶

²⁴ IFC, Handbook for Preparing a Resettlement Action Plan, 2002, p. x

²⁵ ESC Guidelines: Appendix 1 '7. Involuntary Resettlement'

²⁶ ESC Guidelines: 3.2 Loan Aid, Grant Aid and Technical Cooperation; Annex 1.8. Indigenous People.

Putting ESC into Practice

Planning Stage

JICA may assist the formulation of a Master Plan (a development programme that covers a wide range of areas, sectors, or projects) or a Feasibility Study of the project through schemes such as Preparatory Survey, Technical Cooperation for Development Planning, and Preliminary Study of Grant Aid undertaken by the Japan's Ministry of Foreign Affairs (MOFA).

■ Master Plan

The Master Plan requires a **Strategic Environmental Assessment (SEA)**^{27,29} in which the impacts on the environment and society are taken into account when setting priorities among the development options. Category A or B projects developed within the Master Plan needs an ESC study that includes a comparative analysis of alternative plans and a 'without project' option, assessment of possible environmental impacts, and plans for mitigation measures and monitoring. These ESC studies are conducted at the **Initial Environmental Examination (IEE)** level, i.e., based on readily available information and simple field surveys.²⁸

■ Feasibility Study

A Feasibility Study for a Category A project requires an ESC study at the **Environmental Impact Assessment (EIA)** level, i.e., a study based on detailed field surveys. For a Category B project, an ESC study is conducted at the **IEE** level.^{29, 30}

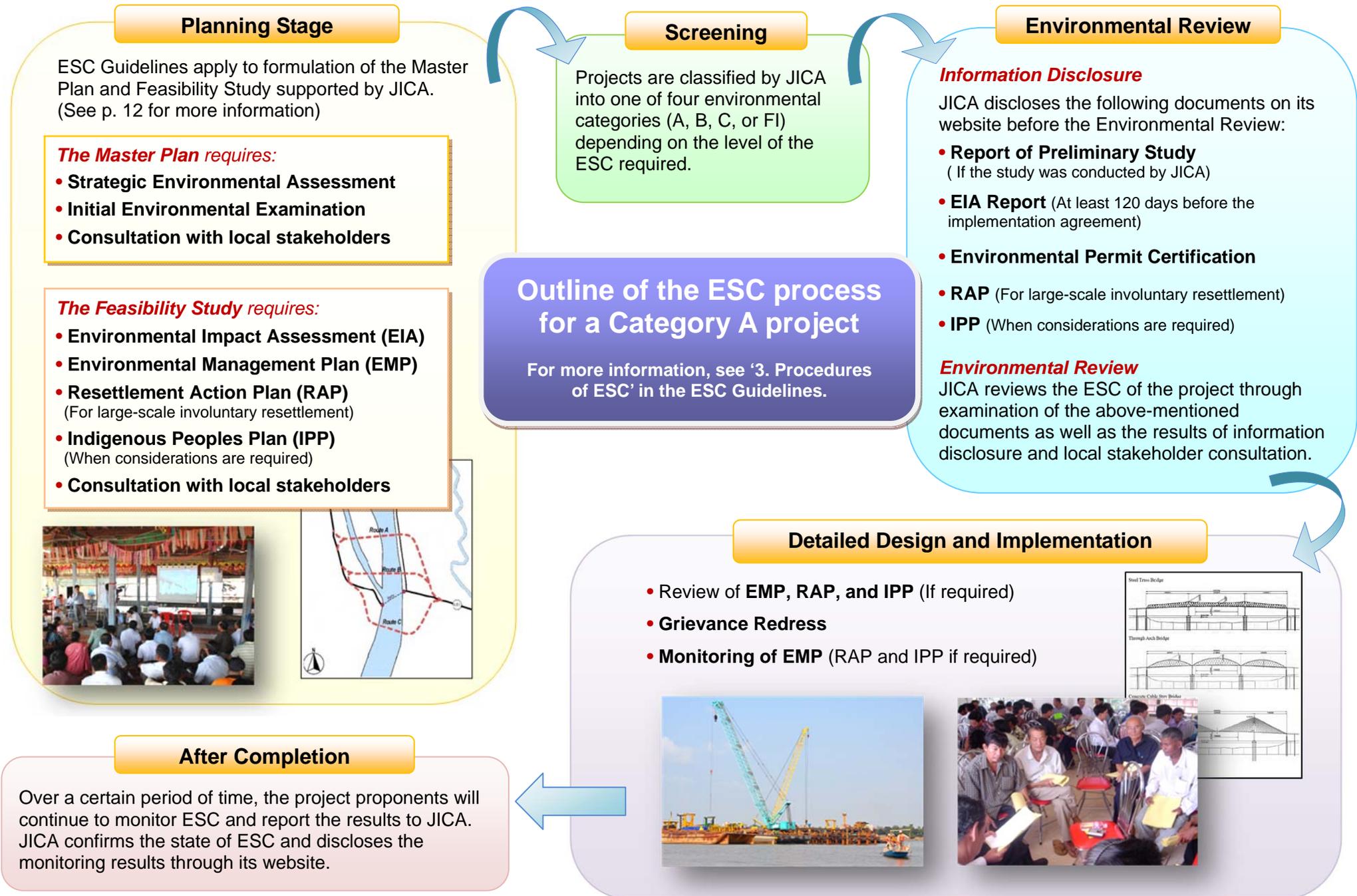
When formulating a Category A project within the Master Plan or through a Preliminary Study for Grant Aid projects (excluding projects executed through international organizations), or studying the feasibility of the Category A project, the project proponents are required to disclose the scope of the ESC study and then consult local stakeholders on the needs of the project as well as their preferred options. The results of the stakeholder consultations must be reflected in the overall study and resulting plan, and JICA discloses the final report through its website. The same procedures may be applied to Category B projects, depending on the needs.³⁰

²⁷ ESC Guidelines: 1.4 Basic Principles Regarding ESC.

²⁸ ESC Guidelines: 3.4.3 Full-scale Study Stage (Master Plan Study).

²⁹ ESC Guidelines: 3.1 Preparatory Survey.

³⁰ ESC Guidelines: 3.4.4 Full-scale Study Stage (Feasibility Study)



Figures: JICA, Study on the Construction of the Second Mekong Bridge in the Kingdom of Cambodia, 2006. Photo credits: Project for the Construction of Neak Leung Bridge in Cambodia. JICA Cambodia Office (left and right); Isaya Higa/JICA (middle).

Screening

Screening is a process in which JICA classifies each project into one of four Environmental Categories (A, B, C, and FI) depending on the level of ESC required (see 'Environmental Categories' pp. 7-8). Classification of the project is based on reports and documents prepared by the project proponents such as the **Screening Format** (template included in the ESC Guidelines as 'Appendix 4'). The project may be reclassified into a different category when there is a change in the scope or when an unanticipated impact has been identified.³¹

Environmental Review

An Environmental Review is a process in which JICA examines ESC of the project (Loan Aid, Grant Aid, or Technical Cooperation Project) whose Environmental Category is A, B, or FI. In the Environmental Review, JICA assesses the possible environmental or social impacts together with countermeasures against the negative impacts and measures to enhance the positive impacts. This is done through field survey and the examination of documents such as the Environmental Impact Assessment Report and **Environmental Checklist**³² provided by the project proponents.

In the case of Category A projects, the following documents must be disclosed through the JICA website prior to the review:³³

- ▶ **Report of a Preparatory Survey** (if the survey was conducted by JICA)
- ▶ **Environmental Impact Assessment (EIA) Report**
- ▶ **Environmental Permit Certification** or equivalent document issued by the relevant agency that shows that EIA and implementation of the project have been approved.
- ▶ **Resettlement Action Plan** (In case the project causes large-scale involuntary resettlement)

³¹ ESC Guidelines: 2.2 Categorization; 3.2.1 Environmental Review.

³² Templates of the Environmental Checklists for Category B projects are provided as 'Reference I.' in the ESC Guidelines.

³³ ESC Guidelines: 3.2 Loan Aid, Grant Aid and Technical Cooperation.

- ▶ **Indigenous Peoples Plan** (In case the project requires considerations for indigenous peoples)

The results of the Environmental Review will be reflected in JICA's decision on whether to implement the project.

Monitoring

A project whose environmental category is A, B, or FI requires monitoring of its environmental management process.³⁴ Monitoring is also required for the Resettlement Action Plan (for a project with large-scale involuntary resettlement) and Indigenous Peoples Plan (for a project that requires considerations for indigenous peoples). The project proponents will report the monitoring results to JICA using methods and formats agreed by both sides.³⁵ The reporting period should cover the implementation phase including the preparatory stage (i.e., from the day of signing the implementation agreement to completion) as well as the operational phase. The reporting period after completion is basically two years for a Loan Aid Project and three years for Grant Aid and Technical Cooperation projects. If an unanticipated environmental or social impact has been identified, or if there is an outstanding issue regarding ESC, the reporting period may be extended.³⁶



JICA's mission to survey the status of ESC monitoring in Indonesia (left) and in Cambodia (right).

³⁴ ESC Guidelines: Appendix 1.8. Monitoring.

³⁵ ESC Guidelines: 3.2.2 Monitoring and its confirmation by JICA.

³⁶ JICA, Procedures for the Review/Supervision of the Environmental and Social Monitoring Results, 2012.

Photo credits from left: Project for the Construction of the Neak Leung Bridge in Cambodia (Isaya Higa/JICA); Integrated Water Resource and Flood Management Project for Semarang, Indonesia.

Reinforcement Mechanisms

■ Advisory Committee for ESC

The Advisory Committee for Environmental and Social Considerations is an independent council that advises JICA on the ESC at the key stages of the project planning (e.g. scoping of ESC studies and finalization of plans/reports). The committee also provides advice on Environmental Review and ESC monitoring if required.³⁷ Consultation with the Advisory Committee is mandatory for a Category A project,³⁸ during which the project proponents may be asked by JICA to provide information regarding ESC.



The Advisory Committee consists of third-party experts including academics, researchers, and representatives of NGOs. Advice (in Japanese) is disclosed on the JICA website at:

<http://www.jica.go.jp/environment/advice/index.html>

■ Objection Procedure

The Objection Procedures is a fail-safe mechanism to ensure the project's compliance with the ESC Guidelines. Residents of the partner country who are, or are likely to be, affected by the project due to non-compliance with the ESC Guidelines can file an objection with JICA through this mechanism.³⁹

The objection will be verified by the Examiners who are independent of the operational departments of JICA, and their findings will be reported to JICA's president. Following the advice of the Examiners, JICA will respond to the Requester (party who filed the objection). The reports of the Examiners, together with JICA's response, will be disclosed on JICA's website.⁴⁰ Further information on the Objection Procedures can be obtained from JICA's website at:

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

³⁷ ESC Guidelines: 1.10 Advisory Committee for ESC.

³⁸ ESC Guidelines: 2.7 Advice of the Advisory Committee for ESC.

³⁹ ESC Guidelines: 2.9 Ensuring Appropriate Implementation of, and Compliance with, the Guidelines.

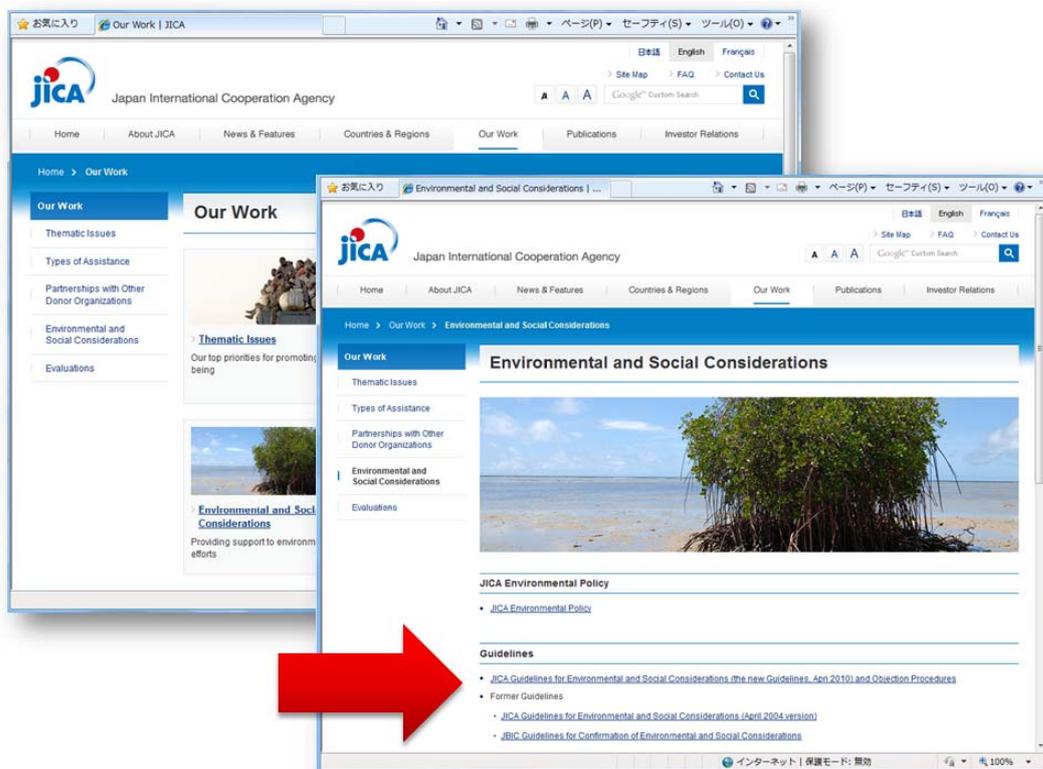
⁴⁰ JICA, Objection Procedures Based on the ESC Guidelines, 2010.

Where to find the ESC Guidelines

The ESC Guidelines can be downloaded from the JICA Website at:
http://www.jica.go.jp/english/our_work/social_environmental/guideline/index.html

Or go through the top page to:

‘Our Work’ ► ‘Environmental and Social Considerations’ ► ‘Guidelines’



As of February 2013, Chinese, English, French and Spanish translations of the ESC Guidelines are available.

Contacts

- ▶ **Environmental and Social Considerations Review Division**
(For ESC Review and Technical Cooperation for Development Planning)
Phone: +81-3-5226-8190
E-mail: erte1@jica.go.jp

- ▶ **Environmental and Social Considerations Supervision Division**
(For ESC monitoring)
Phone: +81-3-5226-8198
E-mail: erte2@jica.go.jp

Credit Risk Analysis and Environmental Review Department

Japan International Cooperation Agency

Nibancho Center Building 5-25, Niban-cho, Chiyoda-ku,

Tokyo 102-8012, JAPAN

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

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