



V. SUMMARY OF MEMBERS POLICIES AND PROCEDURES

A. Background

Early in the conduct of the Project, the Members of the Task Force noted the lack of clear, succinct, factual and up-to-date information on the environmental assessment policies and procedures of the bilateral donors. They were of the opinion that this deficiency undermined efforts at improving coherence, since it is not easy for operational staff to gain a working knowledge of the environmental assessment requirements of other donors.

In response to this situation, "Summary Sheets" were prepared for the countries participating in the Project, containing highly condensed information on the environmental assessment requirements for their ODA programmes. The information included was selected on the basis of what operational staff would likely "need to know" in order to gain a useful working understanding of individual country requirements. The objective of the summary sheets is to facilitate the consultative process that eventually involves detailed discussions among officials of organisations (recipient countries and donors) that are planning some form of collaborative or co-operative undertaking. The purpose of the summary sheets is to expedite that consultative process, not to replace it.

The point was made numerous times during the Project of the need to have similar information available for the multilateral financial institutions (MFIs). This was considered to be a priority since there is a perceived lack of coherence between the environmental assessment procedures of the bilateral donors and those of the MFIs. One of the recommendations arising from the Project is for DAC Members to begin discussions with the MFIs, with the intention of improving the level of coherence between their assessment procedures. (see section VI, E below). It is hoped that this might eventually lead to the incorporation of summary sheets for both the bilateral donors and the MFIs in the same document.

"My sneaking suspicion is that this problem of coherence is more of a multilateral-bilateral problem than a bilateral-bilateral problem. "

In a similar vein, there is a major challenge in improving coherence between the assessment requirements of aid agencies and recipient countries. Although, as mentioned previously, this issue was beyond the mandate of the Project, the importance of the underlying problem was frequently raised by Task Force Members. A recommendation from the Project encourages the Working Party to consider the most appropriate means of addressing this problem. (see section VI, F below). One option is the development of similar summary sheets for recipient countries.

"I have no idea to what extent the EIA procedures of the recipient countries are anywhere near like those of the donors. That's another whole area of coherence."

"I would say that, on paper, the assessment procedures of some developing countries are as good as, or better than, some of the donors. But the capacity of the countries to manage and administer their procedures is sometimes open to question."

B. Conclusions of the Task Force

The Task Force was highly supportive of the summaries of country policies and procedures. The Members devoted considerable time and energy in providing the necessary documentation and in reviewing the various drafts. Nevertheless, there were some notes of caution expressed concerning the potential sensitivity of the summary sheets:

"It raises the question about the extent to which the countries are following the OECD Good Practices".

"Some countries don't like to see things in there that they don't do".

Furthermore, the Task Force recognized the critical need to keep the summary sheets up to date. It is hoped that a mechanism will be put in place for this purpose for that to occur.

RECOMMENDATION NO. 3

It is recommended that the Working Party on Development Assistance and Environment recommend that the DAC i) formally adopt and revise as necessary, the Summary of Environmental Assessment Policies and Procedures; ii) encourage Members to promote its wide distribution and use by donor agencies and implementing organisations of recipient countries; and iii) assess the benefits of incorporating the information into a computerized storage and retrieval system.

C. Using the summary sheets

The "Summary Sheets" for each Member in this volume were prepared primarily for the use of desk officers and environmental specialists at the headquarters of bilateral aid agencies and for other operational staff of in-country units (embassies, posts or missions). However, they may also be of use to officials of implementing organisations within recipient countries as well as non-governmental organisations (NGOs) specializing in environmental aspects of development assistance.

It must be noted that the summary sheets were prepared in the context of environmental assessment for development assistance **projects**. It was the consensus of the Task Force that practice has not yet evolved to the point where a similar approach can be taken for assessment at the policy and programme levels.

The country summary sheets consist of highly condensed information. On average, each sheet contains information that was gleaned from approximately 250 pages of source text. It is this volume of original information that precludes operational staff from readily gaining a basic understanding of the assessment requirements of other donors; it also underlined the need for brevity in the preparation of the summary sheets.

Each sheet summarizes environmental assessment as applied to the ODA programme of the respective country, according to the legal/policy base and procedural requirements. The intention is for the user to compare assessment requirements within a legal and policy context before comparing procedural practices.

The original intention was to organize the sheets according to the main headings listed in the OECD/DAC *Good Practices for Environmental Impact Assessment of Development Projects*¹ which all DAC Members have endorsed. (For reference purposes, a summary of the Good Practices is presented in Annex II). It became apparent, however, that the variation in policies and procedures among countries precluded the rigorous application of such an outline.

A number of examples illustrate this. First, of the fifteen countries initially included in the Project only five are **legally** required (by current or pending laws or contractual agreements) to undertake environmental assessments as part of their development assistance activities. The others do so according to policies and practices which vary in the degree to which they can be interpreted as mandatory. Second, with respect to environmental screening, four of the countries place projects in clearly-defined screening categories, four use screening "decisions" or "conclusions" without allocating projects to categories *per se*, and five do not use any form of project categorization during screening. Third, most of the countries do not specifically address scoping, other than to mention that it is project-specific. Only four countries provide some form of guidance in scoping, and two countries combine scoping with screening. In light of these realities, the Good Practices headings were followed where possible, but they could not be used as a template for consistency in formatting the country summary sheets.

The summary sheets attempt to link, by means of simple icons, various aspects of environmental assessment to the development project cycle. Unfortunately, not all countries employ the same project cycle. The sheets incorporate a "general project cycle" taken from a report submitted by the Netherlands to the Working Party in 1989², which was the precursor to the Good Practices document. The wording may not exactly match that in project cycles used by individual countries (i.e., "project concept" instead of "project identification"), however, the differences should not interfere with the correct interpretation of the summary sheets.

By design, the information contained in the summary sheets is selective and limited. They are meant only to provide the reader with an understanding of the basic characteristics of the assessment policies and procedures of individual countries. For more detailed information the key reference documents are cited and a contact point is included.

NOTES

1. OECD (1992), *DAC: Guidelines on Environment and Aid No. 1, Good Practices for Environmental Impact Assessment of Development Projects*. Development Co-operation Directorate, OECD, Paris.
2. OECD (1989), *Environmental Assessment in Developing Countries*, Note by the Delegation of the Netherlands to the DAC, Working Party on Development Assistance and Environment, October 9, 1989.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

AUSTRALIA (Legal/Policy Base)

OVERVIEW

In Australia national environmental assessment legislation applies to development co-operation activities. The Australian Agency for International Development (AusAID, formerly AIDAB) implements the provisions of the Act through a Record of Understanding with Environment Australia. The Environmental Protection Group (EPG) within Environment Australia has responsibility for deciding if further environmental review is required, and what form that will take, for any proposed activity referred to it under the Act.

NATIONAL LEGISLATION

Act: Environment Protection (Impact of Proposals) Act 1974 [EP(IP) Act] (and Administrative Procedures).

Administrative Responsibility: Environment Protection Group (EPG), Environment Australia (EA).

Objective: To ensure that matters significantly affecting the environment are fully examined and taken into account in proposals, works, projects, agreements, arrangements, recommendations, decisions and expenditures of the Australian Government.

Application: Applies to all environmentally significant decisions made by authorities and bodies established under Australian federal law (including AusAID).

Definition of Environment: Includes all aspects of the surroundings of human beings, whether affecting individuals or social groupings.

Basic Provisions: In accordance with the provisions of the Record of Understanding between AusAID and EA (see Policy Basis), AusAID determines which projects are environmentally significant and will, therefore, be referred to EPG. Following referral, EPG determines which of the following four possible subsequent levels of environmental review will be required:

- in-house assessment by EPG;
- an environmental impact statement (EIS);
- a public environment report (PER);
- a public commission of inquiry.

Public Consultation: Draft EISs and PERs are to be made available for public comment. Review documents and final reports are to be made public.

Decision Making: The Environment Minister/EPG may make comments, suggestions and recommendations regarding the proposed action, including conditions for approval. The Minister's comments are to be made available to the public and must be taken into account in project decisions.

POLICY

Basis: Environmental Assessment Guidelines for Australia's Aid Program, AusAID October 1996, Record of Understanding Between EA and AusAID, October, 1991.

Main Provisions:

- policy and procedures for environmental matters to be considered in all projects;
- AusAID procedures are to meet requirements of EP(IP) Act;
- procedures for determining "significance" in the context of development assistance;
- AusAID is subject to an annual Environmental Audit.

Basic Principles:

- a clear commitment for all projects to be consistent with the principles of ecologically sustainable development;
- environmental considerations to be a core element in planning and design of all aid activities;
- all projects categorised by AusAID as "environmentally significant" to be referred for additional assessment and advice under EP(IP) Act;
- export of technologies or products banned in Australia will not be supported;
- in the absence of enforceable standards in a recipient country, Australian standards will apply to the export of technology or industry.

KEY REFERENCE DOCUMENTS

- (1) Environmental Protection (Impact of Proposals) Act 1974, and Administrative Procedures, May, 1987.
- (2) *Environmental Assessment Guidelines for Australia's Aid Program*, AusAID, October, 1996.
- (3) Record of Understanding Between Environment Australia and AusAID, October, 1991.

CONTACT

Infrastructure and Environment Group, AusAID, GPO Box 887 Canberra, ACT 2601, Australia.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

AUSTRALIA

(Procedural Requirements)

OVERVIEW

AusAID (formerly AIDAB) has developed environmental assessment screening guidelines to implement the provisions of the federal Environmental Protection (Impact of Proposals) Act 1974, in the context of ODA activities. The guidelines assist AusAID Desk Officers to undertake environmental appraisals of proposed projects at early stages of the Activity Management Cycle. Projects considered to be environmentally significant are referred to the Environment Protection Group (EPG) for further review and advice.

POLICY

The following environmental assessment procedures are outlined in the AusAID publication *Environmental Assessment Guidelines for Australia's Aid Program*, AusAID, October 1996:

- incorporate OECD/DAC environmental assessment;
- include scoping as part of the screening process;
- define 12 environmental impact assessment steps linked to the stages of AusAID's Activity Management Cycle.

AusAID Desk Officers use the Environment Assessment Guidelines and revised environmental marker guidelines to assign the impacts of the proposed project. AusAID may use other guideline documents to assist in categorisation of the impacts and also consults with EPG officials on major development aid project proposals.

DETERMINE ASSESSMENT PROCESS

Category 1 Proposals

AusAID refers Category 1 proposals to EPG with supporting information for determination of the assessment level under the EP(IP) Act. The EPG/Environment Minister determines the level of additional assessment required to ensure environmentally significant matters are accounted for in proposal decisions. A wide range of environmental matters can be considered in this determination, including *i*) whether the recipient country has already conducted an environmental assessment, *ii*) the extent to which AusAID-initiated studies address the identified and important environmental issues and *iii*) the environmental standards and controls proposed.

Category 2-5 Proposals

For all other proposals AusAID officers determine whether further environmental studies are necessary as part of normal feasibility/appraisal in the Activity Management Cycle. Advice can be obtained from in-house environmental experts and external sources.

ASSESSMENT ACTION

Category 1 Proposals

EPG will advise AusAID on further requirements and obligations regarding the required level of assessment (see National Legislation, Basic Provisions). AusAID takes the resulting advice from the Minister/EPG into account in decisions related to final project design approval.

Category 2-5 Proposals

Results of environmental aspects of studies are considered in the final design and in approval/rejection decisions.

Studies also affect decisions regarding environmental management plans, monitoring and environmental reporting requirements.

FOLLOW-UP ACTIVITIES

Post Officers are normally given the responsibility for environmental monitoring of AusAID-supported projects, including both impacts and outcomes. Some projects may include an Environmental Management Plan (EMP) as part of the Project Implementation Document. Ex-post evaluations also include environmental assessment as a criterion.

KEY REFERENCE DOCUMENT

- (1) Environmental Assessment Guidelines for Australia's Aid Program, AusAID, October 1996.

CONTACT

Infrastructure and Environment Group, AusAID, GPO Box 887, Canberra, ACT 2601, Australia.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

AUSTRIA

(Legal/Policy Base)

OVERVIEW

In 1993 the Austrian Development Co-operation adopted formally the Policy for Environmental Sustainability under which environmental considerations are to be integrated into the decisions on project activities. Up to this time those considerations were taken into account informally.

NATIONAL LEGISLATION

Since 1994, there has been an environmental assessment (EA) act for "projects within Austria". However this is not valid for the foreign projects of the Austrian Development Co-operation. Rules and procedures for "developmental" EAs are based on internal regulation and official policy.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

The rolling Three-Year Programme of the Austrian Development Co-operation and the Environmental Policy Statement reflect the obligation to have all projects routinely investigated by an EIA procedure, performed by independent consultants (independent from the project proponent as well as independent from the Ministry for Foreign Affairs). This includes the assessment of screening statements as well as of scoping analysis and service for future project design.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

The EA is not only from an ecological point of view but it includes socio-economical and socio-ecological analysis and prognosis of the planned activity. Presently, processes are underway on an experimental basis to test whether all relevant gender issues could be integrated into this EA procedure. A related policy paper as well as internal regulations regarding a combined procedure for both environment and general gender issues are in preparation. The Rolling Three-Year Programme is only valid and EA is performed presently only for the smaller part of Austrian ODA, namely the entire bilateral technical co-operation. However there are strong intents to extend EA procedures to all of ODA related activities (e.g., export credits).

KEY REFERENCE DOCUMENTS

- (1) Three Year Programme of the Austrian Development Co-operation.
- (2) Environmental Policy Statement of the Austrian Development Co-operation.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

AUSTRIA

(Procedural Requirements)

OVERVIEW

In 1993 the Austrian Development Co-operation (the Ministry of Foreign Affairs) adopted formally the Policy for Environmental Sustainability under which environmental considerations are to be integrated into the decisions on project activities. Since that time such considerations were done informally. From 1993 onwards, a period of testing the feasibility of the new regulations has been conducted, forms and guidelines are under development and existing forms are being enhanced. Although the average Austrian project is still relatively small (approx. US\$300,000/year) EA is done for every project.

GENERAL GUIDELINES:

There are two documents in use, one for the general screening procedure and the other as a guide to the screening list "Socio-Ecology". These guidelines help Project managers to conduct their EA (i.e., an Environmental Impact Declaration - UVE Umweltverträglichkeitserklärung). The two papers are: (1) Überprüfung der Umweltverträglichkeit von Vorhaben der Entwicklungszusammenarbeit, and (2) Erläuterungen zur Sozio-Ökologie. The forms/guidelines and tools in their present form were released in April 1997. Both papers outline the basis for the implementing agent of the project to perform a screening and related declaration. These declarations are checked by an independent consultant. For the special problems of "socio-ecology" (checking the interface between pure ecology, social effects and subsistence economy), special external expertise is retained for the conduct of EAs. Consultants undertake the scoping analysis and report preparation as well as any training required for project proponents to improve their own analytical approaches and scoping efforts with respect to EA. For larger projects (i.e., >US\$3 million) EAs are conducted by external experts using external EA procedures.

Step 1: Screening:

Screening is usually done by the project proponent, resulting in a formal screening report. The feasibility and accuracy of supporting project documentation is reviewed by the project consultants. Correction of any uncertainties and/or technical deficiencies is undertaken through negotiation with the project proponent.

Step 2: Scoping:

Scoping analysis and report preparation is in most cases conducted by the principal consultant in collaboration with the project proponent. As part of scoping, training activities (supported by the Ministry) are typically undertaken to improve the analytical capacity and scoping process.

INTERNAL (small scale) ASSESSMENT

Following the process of Scoping, the responsible country desk officer in the ministry determines which future investigations are necessary. The country desk officer, in consultation with environmental experts, formulates the terms of reference for subsequent studies, including the level of analysis and environmental impacts to be examined.

DETAILED EXTERNAL ASSESSMENT

In the case of larger projects with a total project sum beyond US\$3 million, the consultant is expected to conduct an independent assessment using methodologies and procedures which reflect prevailing professional standards. The assessment may suggest to abandon or modify the project, to initiate

environmental monitoring and follow-up for critical environmental issues, and/or to implement appropriate mitigation measures.

MONITORING AND EVALUATION

Once the results of the EA have been compiled, the country desk officer, in conjunction with internal and external environmental advisors, identifies the monitoring and evaluation requirements for the implementation of the project. The Ministry is currently strengthening its monitoring and evaluation procedures to better inform project management and mitigate potentially adverse residual environmental impacts.

KEY REFERENCE DOCUMENTS

- (1) Überprüfung der Umweltverträglichkeit von Vorhaben der Entwicklungszusammenarbeit.
- (2) Erläuterungen zur Sozio-Ökologie.

CONTACT

Austrian Ministry for Foreign Affairs, VII/2, Minoritenplatz 9, A-1010, Austria, Tel.: +43 1 53 115 4486; Fax.: +43 1 53 185 272; email: guenther.stachel@zentrale.bmaa.gv.ada.at

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

BELGIUM (Legal/Policy Base)

OVERVIEW

Belgium does not have national environmental assessment legislation for development assistance activities. However, since the report of the World Commission on Environment and Development in 1987 (the Bruntland Report), the Belgian government, through the Belgian Administration for Development Co-operation (BADC), has been incorporating environmental considerations into its development aid policy. These considerations stress the linkage between economic development and environmental protection, and also include environmental screening and impact assessment procedures.

NATIONAL LEGISLATION

Belgium does not have national environmental assessment legislation that applies to official development assistance activities. However, for projects carried out within the country itself, it does comply with the requirements of the European Community (EU) Directive 85/337 (1985) concerning the environmental assessment of certain public and private projects significantly affecting the environment. This means that an environmental impact assessment has to be completed for certain activities before a permit can be issued. In Belgium most environmental impact statements are prepared on a regional basis - the Flanders, Walloon, and Brussels regions have separate environmental assessment legislation. Such legislation was introduced in Walloon in 1985; in Flanders in 1989 and in Brussels in 1992. For all activities concerning the nuclear power sector, the national authorities are responsible for all aspects of environmental impact assessment.

POLICY BACKGROUND

Since the Brundtland Report, the Government of Belgium has been gradually incorporating more environmental concerns into its policy for development cooperation. The latest policy declaration entitled "From Quantity to Quality" states that economic growth and environmental protection are considered to be the key factors that can contribute the most towards the alleviation of poverty in developing countries. The policy contends that a more sustainable form of development will be realized by supporting an approach which integrates environment and economic development. Currently, BADC is in the process of developing guidelines and procedures for implementing environmental screening and environmental impact assessment.

ENVIRONMENTAL ASSESSMENT AND BELGIAN DEVELOPMENT CO-OPERATION

BADC has recently introduced the following general guidelines related to environmental assessment:

- Environmental aspects have to be integrated into the selection criteria and the design and implementation of projects financed by BADC.
- Environmental impact assessments have to be introduced and all impacts of projects on human health, the natural environment and indigenous population groups have to be taken into account.
- Special attention should go to the use of Belgian funds in the Global Environment Facility (GEF).

SPECIFIC GUIDELINES FOR EIA

- Environmental assessment has to take into account alternative project designs.
- Environmental assessment has to guarantee that the different groups participating in the projects can give their opinion.
- Environmental assessment has to take into account transboundary impacts and also impacts which are delayed or cumulative.

- Impact statements have to carry recommendations on measuring environmental impacts during the period after which help from the donor country stops.

KEY REFERENCE DOCUMENT

Policy Declaration of the Secretary of State, *From Quantity to Quality*, available from BADC.

CONTACT

Belgian Agency for Development Co-operation, Environmental Department, Brederodestraat 2, B-1000 Brussels, Belgium.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

BELGIUM

(Procedural Requirements)

OVERVIEW

At the time this sheet was being prepared the procedure for the environmental evaluation of new project proposals was being developed by the Free University of Brussels (VUB). The general principles have already been established and eventually the procedure will be computer-based. For the time being, a manual version of the screening procedure is being field tested. This will be published by the Belgian Administration for Development Cooperation (BADC). Further development of the procedure will follow.

GENERAL PRINCIPLES

The environmental evaluation is organised in three consecutive phases: Screening, Limited Environmental Effects Note (LEEN), and Environmental Impact Assessment (EIA). Each of these phases is only used if the results of the preceding one do not allow a conclusive judgement to be made of the probable environmental impacts.

SCREENING

The Computer Assisted Screening (CAS) uses the same standard checklist for each project type. Questions about the different possible impacts (presented on the computer screen) permit a rough evaluation of their magnitude. These values are combined with weighting factors, resulting in individual impact scores for each impact. If the magnitude of the impact cannot be evaluated due to a lack of data, the computer calculates a corresponding uncertainty score. Not only negative impacts are calculated this way, but also positive ones, together with the possibilities for mitigation. The individual impact scores are combined into a general score using a statistical method. The same is done for the uncertainty scores, resulting in a general uncertainty score.

The general scores are compared to three standards. If the general impact score is higher than its maximum standard, the project is automatically rejected, i.e., its negative impacts are considered too severe. If the general impact score is lower than its minimum standard, the general uncertainty score is compared to its limit standard in order to be sure that the low impact score is not due to a lack of data. If the uncertainty score is lower than its limit value, the project is automatically accepted, i.e., its negative effects are considered negligible.

If the general impact score is higher than its minimum standard, but lower than its maximum standard, a LEEN is needed in order to determine more accurately the possible impacts. The same is true if the impact score is lower than its minimum standard and the uncertainty score is higher than its limit standard.

This analysis is entirely done by the computer and the final conclusion is automatically printed out in a final screening report which also contains a list of the existing uncertainties and the recommendations for mitigating the environmental impacts. The report can be printed in different languages, not only that which was used to answer the questions on the checklist.

THE LEEN

Typically, the Limited Environmental Effects Note is a mini-EIA based upon the readily available data. For its establishment, specific instructions are given for each project type. If the results of the LEEN allow the possible impacts to be clearly identified, the evaluation stops here. If not, a complete EIA is conducted for those elements for which the LEEN was insufficient.

SCOPING

Scoping is based upon the results of the LEEN and on the list of existing uncertainties from the final screening report.

THE ENVIRONMENTAL IMPACT ASSESSMENT

This is a detailed assessment for which baseline monitoring will often be needed.

KEY REFERENCE DOCUMENT

The official documents describing in detail the procedures outlined on this sheet will be available from the BADC.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

CANADA

(Legal/Policy Base)

OVERVIEW

In 1992 the Canadian International Development Agency (CIDA) adopted the *Policy for Environmental Sustainability* which commits CIDA to integrate environmental considerations into its decision-making and policy, programme and project activities. The release of CIDA's Sustainable Development Strategy in 1997 contains a commitment to update the *Policy for Environmental Sustainability* in 1998, incorporating the experiences and lessons learned during six years of implementation. The Canadian Environmental Assessment Act (CEAA), which came into force in January 1995, includes a special procedural regulation for projects outside Canada. The Projects Outside Canada (POC) regulation applies to all development co-operation projects supported by Canada.

NATIONAL LEGISLATION

The purposes of the Canadian Environmental Assessment Act relevant to development co-operation are:

- to ensure that the environmental effects of projects receive careful consideration before action is taken;
- to encourage federal government departments to take actions that promote sustainable development;
- to ensure that there will be an opportunity for public participation in the environmental assessment process.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

The government's foreign policy statement, *Canada in the World*, reaffirmed Canada's commitment to apply the CEAA to development co-operation projects. CIDA's *Policy for Environmental Sustainability* reflects the Agency's mission to support sustainable development in developing countries. This Policy states that CIDA is to *i*) integrate environmental considerations into its decision-making and activities and *ii*) work with developing countries at improving their capacity to promote environmentally sustainable development. The Policy includes six Operational Objectives, summarised as follows:

- (1) to ensure that environmental considerations are integrated into project planning and implementation, taking into account the views of local communities;
- (2) to promote programme assistance and projects that directly address environmental issues;
- (3) to implement design measures that minimise negative environmental impacts or identify alternatives;
- (4) to support Canadian and developing country partners to further the objectives of environmentally sustainable development;
- (5) to contribute to the development of knowledge concerning sustainable forms of development;
- (6) to promote information and education on the principles and practice of sustainable development.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

In applying the CEAA, CIDA will be guided by the following principles:

- (1) it will respect the sovereignty of partner countries and adopt approaches for public consultation in a way which respects the foreign nature of the projects;
- (2) it will apply the environmental assessment requirements of partner countries, or international development institutions, when these meet the objectives of the CEAA;
- (3) it will assist partner countries to develop and apply local environmental assessment capacity.

In addition, in accordance with Canadian Government policy, CIDA will develop and apply approaches for assessing the environmental implications of its policies and programmes.

In 1994, CIDA approved a Corporate EA Management Framework to implement the CEAA. The basis of the Framework is self-assessment, i.e., each Programme Branch ensures that the CEAA is applied to projects under its authority. The major Framework elements are:

- "environment" includes the physical environment and, as a minimum, the related social effects;
- environmental assessment is incorporated into the project cycle at the earliest stage to minimise delays and costs;
- environmental reviews and resulting mitigation measures should be an integral aspect of feasibility studies;
- categorical exemptions and inclusions for environmental assessment.

KEY REFERENCE DOCUMENTS

- (1) Canadian Environmental Assessment Act (CEAA), Bill C-13, June, 1992.
- (2) CIDA's *Policy for Environmental Sustainability*, CIDA, January, 1992.
- (3) *Canada in the World: Government Statement*, Government of Canada, 1995.
- (4) Projects Outside Canada Regulation under the CEAA, November, 1996.
- (5) CIDA's *Sustainable Development Strategy*, December, 1997.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

CANADA

(Procedural Requirements)

OVERVIEW

In June 1995, the Canadian International Development Agency (CIDA) released its revised project management cycle. Procedural guidance on operationalising the Canadian Environmental Assessment Act (CEAA) is integrated into the project management cycle. In July 1995, CIDA introduced the *Procedural Guide to the Canadian Environmental Assessment Act*, the purpose of which is to assist country desk staff to examine the environmental effects of projects in an appropriate manner at all stages of the project cycle. This Guide has since been supplemented by a series of guidelines specific to the project delivery model (i.e., Lines of Business) applicable to CIDA's delivery of official development assistance.

GUIDELINES

CEAA and the Bilateral Project Cycle identifies six main stages of CIDA's project management cycle, as follows:

PROJECT CYCLE

ENVIRONMENTAL PROCEDURES

Identification & Selection	Environmental Policy Check Review of Environment Capacity EA Consistency Analysis Special Studies/Missions
Concept Paper Appraisal & Design	Preliminary Environmental Assessment (EA) Environmental Analysis EA Workplan Environmental Screening (ES) and/or Public Review (PR)
Project Approval	ES and/or PR report Review of ES and/or PR report Course of Action CIDA's Public Registry
Operationalisation & Management	Environmental Management Plan Project EA Consistency Analysis Contractual Clauses on EA
Project Completion	End of Project Environment Review

SCREENING

The CIDA PM makes a determination on the need for an environmental assessment screening under the CEAA, which includes consideration of the following factors:

- the environmental effects of the project (including effects of malfunctions or accidents), and the cumulative effects likely to result from the project;
- the significance of the effects;
- public comments, where required;
- technically and economically feasible measures to mitigate significant adverse environmental effects;

- any other matter relevant to assessment, such as the need for an alternative to the project, such as:
 - the purpose of the project;
 - technically and economically feasible alternative means of carrying out the project;
 - the need for, and requirements of, any follow-up programme;
 - the effects of the project on the capacity of the renewable resources to meet the needs of the present and those of the future.

The screening results in one of three possible conclusions:

- (1) no significant adverse environmental effects;
- (2) likely significant adverse environmental effects which cannot be justified in the circumstances. or
- (3) referral to a mediator or a public review because:
 - it is uncertain whether the project is likely to cause significant adverse effects;
 - likely significant adverse environmental effects which may be justified in the circumstances; or
 - public concerns warrant a referral.

MEDIATION OR PUBLIC REVIEW

CIDA can refer a project to the Minister of Environment who decides if the project will proceed to a mediation or a public review (e.g., review panel, joint review panel, or advisory committee). CIDA, with the approval of the Governor in Council, makes one of the following determinations based on the results of the mediation or public review:

- (1) no significant environmental effects;
- (2) likely significant environmental effects which cannot be justified; or
- (3) likely significant environmental effects which may be justified in the circumstances.

FOLLOW-UP ACTIVITIES

Where required, a follow-up programme is designed and implemented to monitor any required mitigative measures.

KEY REFERENCE DOCUMENTS

- (1) Canadian Environmental Assessment Act (CEAA), 1992.
- (2) *CEAA, the Canada Fund, and Mission-Administered Funds*, 1996.
- (3) Projects Outside Canada Regulation under the CEAA, 1996
- (4) *Handbook on Environmental Assessment for NGOs*, 1997
- (5) Sourcebook on *CEAA and Roadmap 1998*.
- (6) Series of Five Procedural Posters, 1998.
- (7) *User-Friendly Guide to CIDA's Public Registry*, 1998.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

DENMARK (Legal/Policy Base)

OVERVIEW

Within the Ministry of Foreign Affairs, Danish International Development Assistance (Danida) denotes the official activities relating to Denmark's co-operation with developing countries. In 1988 the Danish Parliament endorsed a *Plan of Action* for strengthening environmental considerations in the Danish development co-operation programme. It provides a strategy to ensure that all activities contribute to sustainable development and calls for the incorporation of environmental assessment procedures into appraisal guidelines. As follow-up to Danida's *Guidelines for Sector Programme Support* (SPS) - which were outlined in *A Developing World* in 1994 - a revised version of the guidelines incorporating Danida's new programmatic approach to development assistance was published in May 1998.

LEGAL/POLICY BASE

The political foundation for Danish development assistance is the Act on International Development Co-operation and a 1989 Report of the Foreign Services Commission. The *Plan of Action* was developed as part of a broader strategic planning exercise for the development co-operation programme. The main aim of the Plan is to establish overall guidelines for the thorough integration of environmental considerations into the entire Danish development assistance programme. With the release of the *Guidelines for Sector Programme Support* in 1998, Danida has taken a significant shift in its development programme to emphasise a longer term frame for broader-based Danish assistance at the sector level. A sector is defined as a coherent set of activities that can be distinguished in terms of policies, strategies and programmes. Sectors can be economic (e.g., agriculture, industry and transport), social (e.g., education and health) and/or thematic (e.g., environment, indigenous people, gender, and local government).

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

Priorities: Priorities for Danish development assistance are *i*) poverty alleviation, *ii*) environmental protection, *iii*) women in development, *iv*) human rights, and *v*) good governance.

Environmental Considerations: The environmental focus of Denmark's development co-operation programme reflects major challenges in countries traditionally receiving Danish development assistance:

- reduction in vegetative cover;
- conservation of biological diversity;
- population;
- relations between environment and social conditions.

Plan of Action: The Plan comprises three parts:

- (1) an overall strategy for strengthening environmental considerations in development co-operation;
- (2) sectoral strategies for integration of environmental considerations into the following sectors: *i*) agriculture; *ii*) forestry; *iii*) fishery; *iv*) water resources and supply; *v*) health; *vi*) industry; *vii*) energy; *viii*) infrastructure; and *ix*) urban development; and
- (3) country strategies for integration of environmental considerations into assistance to recipient countries.

The Plan of Action stresses the following points:

- more dialogue with recipient countries on priorities;
- better co-ordination among donors;
- increase the management capacity of recipient countries;
- preparation of national conservation strategies;

- emphasize the results of economic analyses;
- ensure the participation of target groups; and
- more co-operation with NGOs.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

Policy: The Guidelines for SPS indicate that environmental assessment procedures are to be incorporated into the appraisal of all proposals for sector programme support and SPS components.

General Aspects:

- The environmental assessment should be conducted early in the SPS preparation phase so that its results can influence the technical design aspects.
- The assessment should not be restricted to an investigation of the effect of the SPS on the state of natural resources; it should include all aspects of the SPS's impact.
- Local experts and the target group have important traditional knowledge to contribute and they should be encouraged to become involved in the assessment as much as possible.
- The environmental impacts of a SPS and/or its components, as identified in the assessment, should be evaluated as part of normal monitoring and evaluation.
- The environmental consequences of alternative solutions should be examined.
- The financial and economic consequences of environmental initiatives should be considered, as well as the environmental effects.

KEY REFERENCE DOCUMENTS

- (1) *Guidelines for Sector Programme Support (SPS)*. Danida, May, 1998.
- (2) *Environmental Assessment for Sustainable Development*. 2nd edition. Danida, June, 1994.
- (3) *Environment and Development: A Plan of Action*. Danida, Ministry of Foreign Affairs, 1988.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

DENMARK

(Procedural Requirements)

OVERVIEW

In 1994 the Danish Ministry of Foreign Affairs, through Danish International Development Assistance (Danida), published *Guidelines on Environmental Assessment for Sustainable Development*. The aim of the Guidelines is to assist embassy staff and country desk officers to ensure that environmental effects of development projects are taken into account in an appropriate way at all stages of the project cycle. The Guidelines incorporate information from the OECD, other bilateral donors and multilateral financial institutions. Following the release in May 1998 of the new *Guidelines for Sector Programme Support* (SPS), Danida conducted an eight-months testing phase starting in August 1998. The Guidelines for SPS outline the operational approach applied for providing sector-wide bilateral development support. Past environmental guidelines are currently under revision to align them with Danida's programmatic focus.

GENERAL GUIDELINES

Danida's *Guidelines on Environmental Assessment for Development Cooperation* and its more recent *Guidelines for Sector Programme Support* outline the procedural stages of environmental assessment. The environmental assessment will take its point of departure in the Initial Environmental Screening during the Identification Stage, where SPS components are categorised. In order to ensure that an appropriate environmental assessment of the SPS is made prior to the Appraisal Stage, the SPS components will undergo a detailed Environmental Screening in the Preparation Phase. The result of the screening may be that SPS components are rejected or thoroughly redesigned. The screening will start with an identification of the potential environmental impact, and review the categorisation of each component prepared during the Identification Stage.

CATEGORIES

SPS components which fall within Category A will undergo a full-scale Environmental Impact Assessment (EIA). This impact assessment will include a systematic and comprehensive analysis, including the following aspects:

- policy, legal and administrative framework for the EIA, including national legislation and regulations of relevance for the SPS component;
- description of the component activities (geographical, ecological and social context);
- the availability and reliability of base-line data to assess the environmental impacts of the component;
- assessment and prediction of positive and negative environmental impact, detailed as much as possible in quantitative terms, identifying data gaps and uncertainties; and
- analysis of alternatives with respect to environmental impact, feasibility, recurrent costs, economic implications, suitability under local conditions, and requirement for institutional capacity, training and monitoring. On this basis justify the acceptance, modifications or rejection of the proposed component.

SPS components which fall within Category B will need to undergo a partial Environmental Impact Assessment that is essentially a selective impact assessment. This impact assessment is confined to a systematic review of the positive and negative effects of certain features, or aspects, of SPS components. The assessment should outline recommendations for dealing with these effects in an appropriate and effective manner.

The EIA should be reported separately. The SPS Feasibility Report will include summaries of the assessments, a methodological description of the Environmental Screening carried out, and a justification for recommendations. Recommendations for each SPS component will form part of the Environmental Management Plan to be included in the SPS document.

ENVIRONMENTAL MANAGEMENT PLAN

In some cases, the environmental impact of SPS components can not be fully assessed until a later stage of the SPS. In these cases, the later need for EIAs will be addressed in the Environmental Management Plan (EMP) formulated during the Preparation Stage. The EMP is the principal tool to manage environmental issues throughout the implementation of SPS. The EMP is not a one-time exercise, but a process document which may need to be updated continuously, responding to the needs for environmental assessment and actions during the SPS process. The first draft of the EMP is reported in the Feasibility Report and the consolidated version in the final SPS document. The EMP may address the following issues:

- summarise all the anticipated adverse environmental effects of SPS components and describe in detail all of the mitigation measures, including designs and operation procedures;
- provide a detailed workplan for following-up any environmental action prescribed in earlier stages of the SPS, e.g., follow-up recommendations from the EIAs and the need for further base-line studies;
- identify the need for future EIAs in relation to SPS activities where the environmental impact cannot be assessed at appraisal, e.g., Sector Investment Facilities, un-allocated funds or new components added during implementation. The EMP will describe the technical input, budget and timing to meet these needs;
- identify monitoring objectives and the type of monitoring to be implemented with the purpose of following the actions of the EMP, including specific data on parameters to be monitored, how, where and when to do this, and the definition of thresholds indicating the need for corrective actions and reporting; and
- capacity development and training activities to allow implementation of the recommendations of the EMP. The EMP will describe responsibilities for operation, supervision, enforcement, financing, reporting and staff training that might be supported for implementation of the EMP.

KEY REFERENCE DOCUMENTS

- (1) *Guidelines for Sector Programme Support (SPS)*. Danida, May 1998
- (2) *Danida Guidelines on Environmental Assessment for Sustainable Development*. Danida, January 1994.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

EUROPEAN COMMISSION

(Legal/Policy Base)

OVERVIEW

The European Union (EU) provides development assistance under a number of bilateral and multilateral agreements. The most comprehensive of these is the Lomé Convention, a contractual relationship between the EU and countries of Africa, the Caribbean and the Pacific (ACP States). The revised Lomé IV Convention, signed in 1995, and involving 70 ACP States, gives priority to environmental concerns and specifically calls for environmental assessments to be conducted. Financial and technical assistance relating to Asia and Latin America (ALA) is governed by the Council Regulation 443/92. Co-operation with the Mediterranean countries (MED) is governed by Council Regulation (EC) 1488/96 and the Declaration of the Barcelona Conference (1995) establishing the Euro-Mediterranean Partnership.

LEGAL/POLICY BASE

The 1985 EU Directive on Environmental Assessment (No. 85/337) only applies to the internal activities of Members. The policy base for environment and development co-operation is determined by the Treaty on the European Union ('Maastricht Treaty') in Title XVI, Art. 130r-t and Title XVII, Art. 130u-y. These are translated into various bilateral and multilateral agreements. In Lomé IV environment is accorded high priority. TITLE I deals with environment and provides the basic objectives which the ACP States will strive to achieve, with the support of the EU. Council Regulation 443/92 for the ALA countries sets out that a weighted average of 10% of the financial resources is to be set aside for the protection of the environment. As regards the Mediterranean, Council Regulation (EC) No. 1488/96 identifies environment as one area of co-operation. In November 1997, the Helsinki Ministerial Conference adopted a Short and Medium Term Environmental Action Programme for the Mediterranean.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION UNDER THE LOMÉ CONVENTION

The Lomé IV Convention, is a binding contractual relationship which provides the basic framework for co-operation between the ACP States and the EU. The main features are as follows.

General Provisions: Article 4 states that support shall be provided "for the ACP States to achieve comprehensive self-reliant and self-sustained development based on their cultural and social values, their human capacities, their natural resources and their economic potential." Particular attention is given to the satisfaction of basic human needs, recognition of the role of women, the enhancement of people's capacities and respect for human dignity.

Environmental Considerations:

- Development shall be based on a sustainable balance between its economic objectives, the rational management of the environment and the enhancement of natural and human resources (Article 4).
- Priority must be given to environmental protection and the conservation of natural resources, which are essential conditions for sustainable and balanced development from both economic and human viewpoints (Article 6).
- Co-operation schemes in all areas shall be designed to make the objectives of economic growth compatible with development that respects natural equilibria (Article 14).
- Although environmental issues are specifically addressed in TITLE I, environment is also integrated into various sectoral considerations, e.g., agriculture, energy. Protocol 10 places particular emphasis on sustainable management of forest resources.

ENVIRONMENTAL ASSESSMENT UNDER LOMÉ IV

Context:

Due to the severity/extent of environmental deterioration in many ACP States, in TITLE I of the Lomé IV Convention the Parties agree to give priority to:

- a preventative approach aimed at avoiding harmful effects on the environment as a result of any programme or operation;
- a systematic approach that will ensure ecological viability at all stages, from identification to implementation; and,
- a trans-sectoral approach that takes into account not only the direct but also the indirect consequences of the operations undertaken.

Environmental Assessment Requirements:

The text of TITLE I calls for the design and implementation of "instruments appropriate to environmental needs". Specific comments on the instruments include the following:

- where necessary both qualitative and quantitative criteria may be used;
- jointly approved checklists shall be used to help estimate the environmental viability of proposed operations; and,
- environmental impact assessment will be carried out as appropriate in the case of large-scale projects and those posing a significant threat to the environment.

The implementation of the instruments has to ensure that necessary corrective measures are taken early in the preparation of the proposed project or programme so that it can go ahead in accordance with the planned timetable, though improved in terms of environmental and natural resource protection.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION UNDER COUNCIL REGULATIONS 443/92 AND 1488/96

Similar to the Lomé Convention, the Council Regulations 443/92 and 1488/96 make provisions that for each development co-operation activity in the ALA and MED countries the impacts on the environment and natural resources will have to be specifically assessed and taken into consideration.

KEY REFERENCE DOCUMENTS

- (1) *Lomé IV Convention*, Fourth ACP-EC Convention as revised by the agreement signed in Mauritius, on November 4, 1995.
- (2) Council Regulation (EC) No. 443/92 of 25 February 1992 on financial and technical assistance to, and economic co-operation with, the developing countries of Asia and Latin America.
- (3) Council Regulation (EC) No. 1488/96 of 23 July 1996 on financial and technical measures to accompany (MEDA) the reform of economic and social structures in the framework of the Euro-Mediterranean partnership.
- (4) *Agenda 21 - The First Five Years, 1992-97, Report prepared for the 1997 United Nations General Assembly Special Session (UNGASS)*, EC, 1997. (Development co-operation on pages 137-151)

CONTACT

Directorate-General for Development (DG VIII), European Commission, Rue de la Loi 200, B-1049 Brussels, Belgium (for countries signatory to the Lomé Convention).

Directorate-General for External Relations (DGIB), European Commission of the European Community, Rue de la Loi 200, B-1049 Brussels, Belgium (for Southern Mediterranean, Middle and Near East, Latin America, and South and South East Asia).

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

EUROPEAN COMMISSION

(Procedural Requirements)

OVERVIEW

In June 1993, the Directorate-General for Development of the European Commission issued a *User's Guide and a Source Book to Environmental Procedures* to assist Africa, Caribbean and Pacific States and the Commission to incorporate environmental considerations into development projects under the Lomé IV Convention. The Guide draws upon information from the OECD, European Union legislation on environmental assessment, Members' own assessment procedures and relevant World Bank Directives. For the Directorate-General for External Relations: Southern, Mediterranean, Middle and Near East, Latin America, South and South-East Asia and North-South Co-operation, a *DGIB Environmental Impact Assessment Guidance Note* from April 1997 sets out the relevant procedures. It should be noted that although the EIA procedures of two Directorate Generals involved in development co-operation are presented in two different sets of documentation, they are based on very similar approaches. Presently, all environment procedures and manuals related to development co-operation are being reviewed and updated. This process is envisaged to be completed in the beginning of 1999.

GENERAL GUIDELINES

The User's Guide provides the methodology for incorporating environmental considerations into the six phases of the project management cycle, when following the Integrated Approach to Project Management, as follows:

PROJECT CYCLE

Indicative Programming
Project Identification
Feasibility Study
Financing Agreement
Monitoring
Evaluation

ENVIRONMENTAL PROCEDURE

Initial Screening
Preliminary Environmental Assessment
Environmental Assessment
Review of environmental results
Monitoring
Evaluation

The Guide focuses specifically on development projects although future plans call for the development of guidelines for policies and programmes.

INITIAL SCREENING

Initial Screening serves two principal purposes:

- to determine which projects, of those proposed at the identification phase of the project cycle, need further environmental consideration, and to eliminate those unlikely to have harmful environmental impacts; and,
- to indicate the level of environmental appraisal that a project will require.

During Initial Screening three lists of project types ("Screening Lists" - provided in the Guide) are used to place the proposed project into one of the following categories:

CATEGORY A

Projects that are unlikely to have significant environmental impacts and require no Environmental Analysis.

CATEGORY B

Projects of a type or scale which have potential to cause some significant environmental impacts; require a Preliminary Environmental Assessment to determine the level of Environmental Analysis needed in the Feasibility Study.

CATEGORY C

Projects that, because of their type or size, are highly likely to lead to significant environmental impacts and, therefore, require a self-standing EIA Study, with a separate terms of reference (TOR).

PRELIMINARY ENVIRONMENTAL ASSESSMENT

During Project Identification, Category B projects are subject to a Preliminary Environmental Assessment (PEA). The PEA is incorporated into the Pre-Feasibility Study to gain an indication of the significance of the potential environmental consequences and to determine the level of further environmental consideration required. Sixteen sectoral checklists are used to arrive at one of the following options:

- (1) no Environmental Analysis;
- (2) Environmental Analysis as part of the Feasibility Study; or
- (3) a self-standing EIA Study.

ENVIRONMENTAL ASSESSMENT

Depending on the results of Initial Screening and the PEA, either an Environmental Analysis or an EIA Study will be undertaken during the Feasibility Study phase of the project cycle. The objective is to predict likely environmental impacts and to propose mitigation measures. Scoping, including consultation with local populations, is an important aspect of Environmental Assessment. The Guide gives a Model Terms of Reference for an Environmental Analysis within the Feasibility Study, or for a self-standing EIA Study.

FOLLOW-UP ACTIVITIES

Commission staff prepare annual internal Monitoring Reports, in addition to those prepared by the ACP authority as part of project implementation. The internal Monitoring Report should cover effectiveness of mitigation measures and identify unforeseen environmental impacts.

KEY REFERENCE DOCUMENTS

- (1) *Environment Manual: User's Guide to Environmental Procedures*, Directorate-General for Development, Commission of the European Communities, June 1993.
- (2) *Environment Manual: Source Book to Environmental Procedures*, Directorate-General for Development, Commission of the European Communities, June 1993.
- (3) *Environmental Impact Assessment DGIB Guidance Note*, Directorate-General for External Relations: Southern, Mediterranean, Middle and Near East, Latin America, South and South-East Asia and North-South Co-operation, April 1997.

CONTACT

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Directorate-General for External Relations (DGIB), European Commission of the European Community, Rue de la Loi 200, B-1049 Brussels, Belgium (for Southern Mediterranean, Middle and Near East, Latin America, and South and South East Asia).

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

FINLAND

(Legal/Policy Base)

OVERVIEW

The integration of environmental considerations in all development co-operation activities is one of the main policy objectives of the Department for International Development Co-operation of the Ministry for Foreign Affairs of Finland. The requirement of environmental impact assessment has been incorporated into the new "Guidelines for Programme Design, Monitoring and Evaluation" (1997). More detailed guidance is provided in the "Guidelines for Environmental Impact Assessment in Development Assistance" (1989). Environmental assessment guidelines of other donor agencies are also actively utilised. The national legislation on environmental assessment (1994) includes provisions on strategic environmental assessment (SEA) applied to strategic-level planning processes of the Finnish authorities.

NATIONAL LEGISLATION

The national legislation on environmental assessment does not apply to development co-operation projects. The Finnish EIA Act (1994), however, requires that environmental impacts are adequately assessed by the Finnish authorities in all of their strategic planning processes which may have significant environmental impacts. More detailed guidance for strategic environmental assessment is currently being prepared by the Finnish Ministry of the Environment.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

The current policy objectives of the Finnish development co-operation are defined in two documents: Finland's Development Co-operation in the 1990s: Strategic Goals and Means (1993) and Decision-in-Principle on Finland's Development Co-operation (1996). According to these policies and strategies, the main goals of Finnish development co-operation are to:

- reduce widespread poverty in the developing countries;
- combat global threats by assisting developing countries in solving environmental problems; and
- promote social equality, democracy and human rights in the developing countries.

The specific environmental objectives include to:

- emphasize the importance of environmental considerations in all activities with a view to forestalling threats and creating conditions conducive to prosperity based on sustainable use of natural resources;
- support environmental programmes and the development of environmental administration in developing countries;
- support the developing countries in fulfilling their international environmental obligations;
- to take environmental considerations into account in all stages of the project cycle.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

Guidelines: The requirement of environmental impact assessment has been incorporated into the new "Guidelines for Programme Design, Monitoring and Evaluation" (1997). More detailed guidance is provided in the "Guidelines for Environmental Impact Assessment in Development Assistance" (1989). Environmental assessment guidelines of other donor agencies are also actively utilised in project preparation and appraisal.

Definition: Environmental assessment is defined as "a process to identify, interpret, mitigate and monitor the environmental effects of a project or an action, be it a policy, programme, legislative proposal, engineering project or other operation with impact on human health and security or the quality of the natural and socio-economic environment".

Main Principles:

- the legislation of the partner country and the Finnish guidelines together form the basis of the environmental assessment of development co-operation projects;
- environmental assessment activities are incorporated into the whole project management cycle (identification, preparation, appraisal, implementation, monitoring, evaluation);
- the ecological, socio-economic and cultural impacts are assessed in an integrated manner which requires interdisciplinary team work of experts;
- both scientific data and traditional knowledge are considered in the assessment;
- inter-agency co-operation and public participation is encouraged in all phases of the assessment process;
- the spatial, temporal and social distribution of different impacts is assessed, and the impacts are disaggregated by gender and by other relevant social factors;
- an effort is made to identify and resolve possible environmental conflicts;
- development alternatives are identified and their potential impacts compared with disaggregative methods;
- the environmental assessment is reported as part of the Project Document or separately; the recommendations are incorporated into the final design.

KEY REFERENCE DOCUMENTS

- (1) Ministry for Foreign Affairs of Finland. 1989. Guidelines for Environmental Impact Assessment in Development Assistance. Draft, 15 July, 1989.
- (2) Ministry for Foreign Affairs of Finland. 1993. Finland's Development Co-operation in the 1990s: Strategic Goals and Means.
- (3) Ministry for Foreign Affairs of Finland. 1996. Decision-in-principle on Finland's Development Co-operation.
- (4) Ministry for Foreign Affairs of Finland. 1997. Guidelines for Programme Design, Monitoring and Evaluation.

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

FINLAND

(Procedural Requirements)

OVERVIEW

In 1989, the Ministry for Foreign Affairs prepared the *Guidelines for Environmental Impact Assessment in Development Assistance* as a practical guide for project planners, administrators and implementing agencies in Finland and recipient countries. The document includes general procedural guidelines and sectoral guidelines for the types of projects most in need of environmental assessment and most important in Finnish development co-operation programme. The main principles of environmental assessment were incorporated into the new *Guidelines for Programme Design, Monitoring and Evaluation* (1997).

GENERAL GUIDELINES

The *Guidelines for Environmental Impact Assessment in Development Assistance*, published in a draft form in July 1989, give procedures for the integration of environmental assessment into all phases of the project cycle. They also include specific guidelines for the following seven development sectors:

- (1) Forestry and agriculture
- (2) Human settlements and basic services
- (3) Transportation
- (4) Industry
- (5) Mining
- (6) Electrification
- (7) Fisheries and aquaculture

PRELIMINARY ASSESSMENT/SCREENING

During programme identification the desk officer, with assistance of the environmental adviser when necessary undertakes a preliminary environmental assessment and screening. Based on existing information, the project is assigned to one of four categories:

- (1) Projects rarely having significant impacts - seldom require environmental assessment.
- (2) Projects that may induce significant impacts, but they can usually be mitigated require a "rapid" assessment during project preparation.
- (3) Projects invariably having significant impacts - require more detailed assessment.
- (4) Environmental projects - may require some level of assessment depending on the sensitivity of the ecological or social systems involved.

Note that the requirements of the legislation of the host country are also taken into account in screening.

SCOPING

- Scoping may be carried out as required in the legislation of the host country.
- Scoping is included in the procedure for the preparation of the Terms of Reference for the assessment as part of the Terms of Reference for project preparation.
- Scoping is not an "event", but rather a process that continues throughout the conduct of the assessment (during project preparation).
- Scoping should involve technical experts, relevant authorities and the affected interest groups, as possible.

DETAILED ASSESSMENT

The EIA Guidelines suggest that the following tasks be included in the assessment process:

- (1) Identification of development alternatives
- (2) Identification of potentially significant impacts
- (3) Baseline studies
- (4) Prediction of impacts
- (5) Interpretation of impact predictions (assessment of significance and acceptability of impacts).
- (6) Planning of necessary mitigation measures
- (7) Planning of impact monitoring mechanisms
- (8) Comparison of alternatives
- (9) Reporting (as a chapter in the Project Document or as a separate report)
- (10) Independent and public review of the assessment
- (11) Decision-making
- (12) Implementation of the project, including mitigation measures and monitoring mechanisms (if the project will be implemented)
- (13) Monitoring of impacts
- (14) Auditing (post-evaluation) of impacts

FOLLOW-UP ACTIVITIES

The following monitoring and audit functions are seen to be shared by the Ministry for Foreign Affairs of Finland, the host country's authorities the project organisation and the affected public:

- monitor and evaluate the actual impacts;
- evaluate the effectiveness of mitigation and monitoring plans;;
- compare actual with predicted impacts;
- recommend remedial measures if needed; and,
- record results and organise feed-back for future projects.

KEY REFERENCE DOCUMENTS

- (1) Ministry for Foreign Affairs of Finland. 1989. Guidelines for Environmental Impact Assessment in Development Assistance. Draft, 15 July, 1989.
- (2) Ministry for Foreign Affairs of Finland. 1997. Guidelines for Programme Design, Monitoring and Evaluation.

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

FRANCE (Legal/Policy Base)

OVERVIEW

In France responsibility for official development co-operation shared between the Ministry of Foreign Affairs, the Ministry of Finance (Treasury) and the French Development Agency (AFD), formerly the French Development Fund. AFD provides financing in the form of grants or loans for development projects, and for structural adjustment.

NATIONAL LEGISLATION

France has national environmental assessment legislation (the Nature Protection Law, July 10, 1976). The Act applies only to activities within France and not to Official Development Assistance. AFD derive its authority from a different Act, which contains no specific environmental provisions nor requires environmental assessments to be undertaken.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

Over the past ten years France has made an effort to give new impetus to Official Development Assistance. France's international policy on environment and development is a shared responsibility among the Ministry of Foreign Affairs; the Ministry of Environment; the Ministry of Economy, Finance and Budget; and the AFD. Within the context of official development assistance policy, France makes it a priority to encourage and support the creation of medium- and long-term environmental policies. France applies various means to achieve this objective, including:

- providing technical and financial assistance to recipient countries in designing and managing environmental programmes;
- co-operating with Environment Ministries or other relevant bodies in project design; and,
- consulting with local communities via non-governmental organizations (NGOs).

In early 1991, the AFD decided that the environment should become, if not the focus of inter-sectoral policy, at least an important component of all development projects. It was decided that the environment should be dealt with as an integral part of project planning, and that environmental impacts of proposed development projects should be outlined in the "Notice of Intent to Consider". Notices received by headquarters which do not include a consideration of the environment should be rejected.

The focus of France's policy is to encourage the development of environmental impact assessment legislation in recipient countries.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

France applies an environmental assessment process at an early stage in development co-operation projects and at a level appropriate to the type of project, the significance of the environmental effects and the socio-cultural and biophysical sensitivity of the environment. Impact significance is assessed through a series of test questions that determine the need to conduct a detailed assessment study. The study is financed by AFD, or by other donors in co-funded projects, with the participation of qualified local consultants in recipient countries.

Main Provisions

- France will not entertain a proposal if its environmental effects have not been considered.
- The environmental assessment process is undertaken in co-operation with the recipient country to ensure that requests for assistance comply with guidelines.
- If the recipient country does not have environmental legislation, France's legislation will apply.
- France recommends the involvement of the local communities concerned (preferably public meetings).

In 1992, AFD developed guidelines for implementing the environmental assessment process in project planning. Four phases are applied in environmental assessment studies:

- (1) analysis of the state of the environment concerned;
- (2) detailed description of the project and analysis of its effects on the environment studied in (1);
- (3) proposal for measures to eliminate, reduce or minimize the adverse environmental effects of the project; and,
- (4) reasons for choosing the project submitted.

In addition, sectoral terms of reference have been developed for environmental assessments for specific project types.

KEY REFERENCE DOCUMENT

France, A Partner in Sustainable Development, Ministry of Co-operation and Development, November, 1991.

CONTACT

Agence Francaise de Developpement (AFD), 5, rue Roland Barthes, 75598 Paris cedex 12, France.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

FRANCE

(Procedural Requirements)

OVERVIEW

In the environmental policy that France applies to its official development co-operation programme, environmental assessment is integrated into the project cycle. The Agence Française de Développement (AFD) has developed guidelines for the environmental assessment process. The guidelines are intended primarily for the use of project managers within AFD. The results of project review and a problem identification stage determine the need for detailed environmental assessment. Sectoral guidelines are also provided.

GENERAL GUIDELINES

The AFD guidelines propose that environmental assessment studies be undertaken for those types of projects considered to pose high environmental risk, as determined through answers to a series of specific questions. A more comprehensive series of questions is provided for evaluating environmental assessment studies. Terms of reference (TOR) have also been developed to guide the design and implementation of environmental assessments for sectoral projects.

SCREENING PROCESS

The AFD guidelines identify the types of projects which pose environmental risks due to the inherent nature of the activities involved, i.e., water resource developments, industrial infrastructure, irrigation projects, waste treatment plants, etc. The guidelines also recognize that projects can pose environmental risks if they are set in sensitive environments (e.g., tropical forests, mangroves, coral reefs, endangered habitats).

In the Project Identification stage of the project cycle, it is suggested that the local implementing agency address the following series of questions, the answers to which will determine if the proposed project is categorized as requiring either an "Initial Environmental Assessment" or a "Comprehensive Environmental Assessment":

- Is the project listed as posing environmental risks?
- Does the project involve population displacement?
- Are dangerous or toxic substances involved?
- Does the project involve waste management?
- Is hydroelectric generation involved?
- Is urban development involved or urban populations?
- Is the project located in a sensitive environment?
- Are socio-economic conditions seriously affected?

A positive response to any of the above questions warrants an Initial Environmental Assessment undertaken by a multi-disciplinary team. This can, in turn, lead to the requirement for a Comprehensive Environmental Assessment during project preparation.

ENVIRONMENTAL ASSESSMENT

INITIAL ENVIRONMENTAL ASSESSMENT (IEA):

A broad scoping of the potential environmental effects of a project, based on available data and knowledge, to identify key environmental issues. The following factors are included:

- climate, geology, hydrology, topography;
- air, water and soil quality;
- plant and animal communities, including rare species;
- ecosystem quality;
- population structure, health, work distribution, land use;
- principal uses of natural resources; and,
- quality of landscape and architecture.

COMPREHENSIVE ENVIRONMENTAL ASSESSMENT:

- (1) a description of the project and an analysis of its effects on the environmental factors listed in the IEA, including: use of raw materials and energy; the impact on the site; the effects of the process, by-products and effluents on the areas of concern; direct, indirect, immediate and long-range effects; assessment of risk of accidents;
- (2) proposals to eliminate, reduce or minimize adverse environmental impacts, including: non-displacement of people; compensation; health protection programmes; implementation of clean technology; replacement of cleared land with planted areas; etc.; and,
- (3) selection of the preferred project based on comparative analysis of alternatives.

FOLLOW-UP ACTIVITIES

At least a minimum amount of monitoring of the site is required while work is underway, based on the criteria and parameters identified in the mitigation plan.

KEY REFERENCE DOCUMENT

Internal draft guidelines available in unpublished format from the Caisse Française de Développement.

CONTACT

Agence Française de Développement (AFD), 5, rue Roland Barthes, 75598 Paris Cedex 12, France.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

GERMANY

(Legal/Policy Base)

OVERVIEW

In Germany overall responsibility for development co-operation rests with the Federal Ministry for Economic Co-operation and Development (BMZ). Planning, appraisal and implementation of development co-operation are done by the Kreditanstalt für Wiederaufbau (KfW), for Financial Co-operation and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH for Technical Co-operation. In special cases, the Ministry engages the Bundesanstalt für Geowissenschaften und Rohstoffe (BGR), the Physikalisch-Technische Bundesanstalt (PTB) and the Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG).

NATIONAL LEGISLATION

Germany has had environmental assessment legislation since 1990, which refers to other national environmental laws, e.g., the Federal Pollution Control Act and the Water Management Act. As a member of the European Union the environmental assessment legislation adheres to the EEC Directive No. 851337 (1985) concerning the environmental assessment of "certain public and private projects significantly affecting the environment". There are also a number of State laws and administrative directives. None of these laws have effect outside of Germany and, thus, do not apply to the development assistance programme.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

The aim of Germany's development policy is to improve the living conditions of people, particular of the poorer sections of the population in our partner countries. The guiding principle is that of globally sustainable development which guarantees opportunities for development for today's generation without limiting the opportunities of future generations. For globally sustainable development to be achieved, three concerns are central: productive economic growth, social justice and ecological sustainability. Development co-operation supports the realisation of these three goals in the partner countries by helping to alleviate poverty, promote economic growth through private-sector development and protect vital natural resources.

German development co-operation has identified three priority areas: poverty alleviation, environmental and resource protection, education and training. Other fields, in some cases cross-sectoral, in which German development co-operation is active are the promotion of the private sector, technology transfer, rural development and food security, health and population policy, women in development, crisis prevention and emergency relief measures. These areas are closely related to one another and to the three priority areas. In all German development co-operation the impact on poverty, the environment and gender concerns must be investigated.

The experience in the last few development decades has shown that first and foremost it is the internal economic and political conditions in the partner country that influence progress or failures in development. As of 1991 the Government of Germany took the five main conditions conducive to development to be criteria for the deployment of instruments and funds:

- respect for human rights;
- popular participation in political decisions;
- the rule of law and the certainty of law;
- introduction of a social market economy; and
- the development commitment of the partner government.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

According to the formal requirements set out by the BMZ, since 1988 every development assistance project has been subject to an environmental assessment procedure that is integrated into the project cycle. Environmental assessment is considered to be an on-going process throughout the planning, appraisal and implementation stages of development assistance projects. The environmental assessment procedure currently used is in close conformity with the OECD/DAC *Good Practices for Environmental Impact Assessment of Development Projects*.

The general aim of environmental assessment is to determine at an early stage whether a project is likely to have any harmful environmental impacts, and if they can be avoided or minimised to an acceptable level by an appropriate project concept. Otherwise, the project will be excluded from support. A further aim for the project planning is to integrate approaches of ecological sustainability.

In the appraisal report each project is also classified into one of five categories, according to its possible environmental impact (environmental risk) and the eventual need for mitigation and/or monitoring measures. An environmental statement is attached to the appraisal report in specified cases.

KEY REFERENCE DOCUMENTS

- (1) The Basic Principles of Federal Government's Development *Policy*. 1986, BMZ.
- (2) The Concept for Development Policy of the Federal Ministry for Economic Co-operation and Development (B3,4Z), Oct. 1996.

CONTACT

BMZ: Sub-Division 412, Friedrich-Ebert-Allee 40, D 53113 Bonn, Germany.

KfW: Sector Policy Department (ASb). Palmengarten Str. 5-9, D 60325 Frankfurt, Germany.

GTZ: OE 402 (Environmental Division), Dag-Hammarskjold-Weg 1, D 65760 Eschborn, Germany.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

GERMANY

(Procedural Requirements)

OVERVIEW

Since 1988, all bilateral projects supported by German development co-operation have been subject to an environmental assessment procedure under requirements set out by the BMZ. This procedure is integrated throughout the project cycle, although no strict format is prescribed. The assessment focuses on the direct and indirect effects on human health (including occupational health aspects) and the natural environment as well as social and cultural aspects, such as the consequences of resettlement and influences on local populations or cultural monuments.

GENERAL GUIDELINES

GTZ and KfW have prepared internal guidelines adapting and integrating the environmental assessment procedure into their respective organisational and administrative structures. The principal "EIA Working Steps" are identical in both institutions. Apart from these internal procedural guidelines, a three-volume environmental source book ("Environmental Handbook") was produced in 1993 (revised issues in English, French and Spanish, 1996) by GTZ and KfW. These volumes contain environment-related descriptions of 59 sectors and sub-sectors, as well as a collection of environmental standards. There are other technical guidelines and expertise on actual environmental issues.

EIA WORKING STEPS

1. Screening/Scoping

There is no formal 'screening event' and at the outset no project classification takes place. In the screening step, projects with unacceptable impacts will be rejected. Rejections and recommendations for redesign take place on the basis of personal expertise and judgement (based on specific project information) and general experience.

Usually screening is carried out in close relation with scoping to identify possible environmental effects and to determine the nature and extent of investigation required and to take into account the principles of ecological sustainability. This is normally done in-house and formal sessions with the recipient country are not the rule, although there is a written exchange of consent. During this Working Step, terms of reference (TOR) for an environmental investigation are developed or study documents previously presented are checked for appropriateness. Screening, scoping and the elaboration of TOR are done:

- in GTZ by project officers, on planning sessions, through informative discussions and with the support of the environmental division;
- in KfW by the individual project working group (members from country, engineering and policy departments) which decides on all project aspects throughout its cycle.

2. Environmental Investigation/Study

This task includes quantification, forecast and evaluation of impacts, the relationship to ecological sustainability and, if necessary, modifications to the project concept, including mitigation and/or control measures. The basis for evaluation is usually the standards of the developing country, if available. Otherwise, internationally prevailing or German standards are applied. The environmental review is often an integral part of the feasibility study and not a separate undertaking.

3. Appraisal Procedure

Results of studies and appraisal missions constitute the basis for project appraisal and the preparation of a report to the BMZ for final decision on project support. In the appraisal report the project is classified in one of five categories (from U0 to U4) comprising three main groups:

- no or negligible impact (U0);
- impact acceptable with increasing extent of mitigation, control and risk of failure (U1-U3);
- ecologically unacceptable impacts (U4).

U4 projects are not proposed for support. Also, environmental protection projects may receive a marker (UR). For U2-U4 projects, the appraisal report contains an environmental annex (Environmental Statement).

FOLLOW-UP ACTIVITIES

Mitigation and/or control measures, as agreed with the recipient country, are verified as part of project monitoring. If necessary remedial action is taken. Progress reports to BMZ incorporate information on mitigation, control measures and remedial action. In the final evaluation report (after some years of operation or implementation) actual impacts are summarised and compared with forecasts.

KEY REFERENCE DOCUMENT

- (1) Guidelines for environmental impact assessment procedure for development co-operation activities, as set out by BMZ.

CONTACT

BMZ: Sub-Division 412, Friedrich-Ebert-Allee 40, D 53113 Bonn, Germany.

KfW: Sector Policy Department (ASb). Palmengarten Str. 5-9, D 60325 Frankfurt, Germany.

GTZ: OE 402 (Environmental Div.), Dag-Hammarskjöld-Weg 1, D 65760 Eschborn, Germany.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

IRELAND

(Legal/Policy Base)

OVERVIEW

"Environmental Guidelines for Irish Aid" were adopted on a trial basis in 1996 and remain in use. These are being updated on the basis of feedback and further research during 1998.

NATIONAL LEGISLATION

There is no national legislation which regulates environmental practice in Ireland's official development co-operation programme.

POLICY BACKGROUND FOR EA IN OFFICIAL DEVELOPMENT ASSISTANCE

A major review of all aspects of Irish Foreign Policy was undertaken in 1996 and a White Paper on Foreign Policy was published that year as a result. In the chapter on Development Co-operation, the Government commits itself to playing its full part in seeking to ensure effective international implementation of the agreements on sustainable human development reached at Rio de Janeiro. This commitment is repeated in Chapter 13 on the environment where the Government undertakes to "promote respect for our common global environment". An earlier 1993 document *"Irish Aid: a Strategy Plan"* states that "systematic attention is given to environmental issues at all stages of the project cycle - implementation, review and evaluation". The 1997 Department of Foreign Affairs strategy statement indicates that Development Co-operation Policy aims amongst other things to " - advance the concept of sustainable development in all its aspects including material well being, human rights, fundamental freedoms, gender equality, protection of the environment, support for civil society and democratic structures and processes, as well as mechanisms to prevent, resolve and recover from conflict".

ENVIRONMENTAL ASSESSMENT IN ODA

The majority of Irish Aid programmes are of a small scale, without any negative environmental impacts and with frequent positive effects. They are often in the social sectors and focus as directly as possible on the alleviation of poverty, providing assistance at a level and pace that allows local capacity to absorb it using local resources and expertise. Irish Aid has not traditionally been involved in major infrastructure projects in high-risk sectors such as mining, energy, waste disposal, industry and large-scale agricultural development which require detailed Environmental Impact Assessments. Of the 1995 programme 7% was devoted to agriculture while only 3.4% was devoted to directly environment-related activities. Nevertheless, funding for development co-operation has been steadily increasing and as the programme becomes larger, it is recognised that its nature will change and that more stringent assessments of environmental impacts will be required.

The second part of the draft Environmental Guidelines introduced in 1996, are devoted to good practices for environmental assessment. The approach ensures that environmental concerns are fully integrated into the planning, design, implementation and evaluation of all policies, programmes and projects.

KEY REFERENCE DOCUMENTS

- (1) Irish Aid: A Strategy Plan, Department of Foreign Affairs, 1993.
- (2) Challenges and Opportunities Abroad - White Paper on Foreign Policy, Department of
- (3) Foreign Affairs, 1996.
- (4) Pursuing Ireland's External Interests: Strategy Statement of the Department of Foreign Affairs", Department of Foreign Affairs, 1997
- (5) Environmental Guidelines for Irish Aid, Department of Foreign Affairs internal document, 1996.

CONTACT

Irish Aid, Department of Foreign Affairs, 76-76 Harcourt St., Dublin 2, Ireland.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

IRELAND

(Procedural Requirements)

OVERVIEW

The *Environmental Guidelines for Irish Aid* which include a section on Environmental Assessment, were adopted on a trial basis in 1996. It was intended that the Guidelines would be reviewed and up-dated. This process is to be completed in 1998. The Irish Aid Advisory Committee (IAAC) has undertaken a "Scoping Study on Environmental Issues related to Irish Development Aid" to offer some suggestions as to how the Guidelines could be improved.

GUIDELINES

The Guidelines stipulate that environmental issues are to be considered at every step of the project cycle. Preliminary appraisal of a new project idea takes place on the basis of a three-page "Concept Paper". The Guidelines recognise that due to the initial nature of the appraisal and the brief documentation, danger signals will only be recognised at this stage where major environmental impact is envisaged.

If the concept is approved, the project proceeds to full design stage at which time the major screening takes place and the extent of environmental assessment required is decided. Five categories are suggested but the Guidelines recognise that a project's status may not be static and that its categorisation must be kept under review throughout the implementation and monitoring phases.

SCREENING

The five categories of projects suggested by the Guidelines are:

- EO No environmental impact (e.g. in training or institutional support programmes). No further explanation is required in the project proposal.
- E1 Marginal environmental impact (e.g. training of agricultural workers, rehabilitation of existing infrastructure). An **environmental statement** is required.
- E2 Modest but manageable environmental impact. An **environmental justification** is required stating perceived impacts, benefits, means to minimise any long term effects and positive measures that can be taken.
- E3 Significant environmental impact. Either a **preliminary or full environmental impact assessment** required prior to project approval.
- E4 A considerable negative environmental impact is foreseen. This activity should not be considered unless acceptable mitigating measures are agreed. In any case full **Environmental Impact Assessment** is required.

INITIAL/FULL ASSESSMENTS

The Guidelines suggest issues which should be examined under categories E0 - E4 in the Health, Education, Road Construction, Agriculture/Forestry and Urban Upgrading sectors. A 9-point checklist is provided.

FOLLOW-UP ACTIVITIES

Mitigation measures suggested in environmental statements or assessments form part of the monitoring parameters. The projects classification EO - E4 must also be kept under review.

KEY REFERENCES

Environmental Guidelines for Irish Aid (Draft), Department of Foreign Affairs internal document, 1996.

CONTACT

Irish Aid, Department of Foreign Affairs, 76-76 Harcourt St., Dublin 2, Ireland.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

ITALY

(Legal/Policy Base)

OVERVIEW

In 1991, Italy passed an act which requires that infrastructure projects financed through aid-assistance loans be subject to an assessment of environmental compatibility (if no formal EIA is required), or to a full EIA. The Directorate-General for Development Co-operation (DGCS) of the Ministry of Foreign Affairs is responsible for the implementation of the act. To this end, DGCS has prepared checklists and a handbook for the assessment of environmental capability of development assistance projects. Furthermore, during 1995, an ad-hoc technical co-operation agreement has been developed with the International Union for the Conservation of Nature (IUCN), which is aimed at enhancing capacities in assessing and evaluating the environmental dimension of aid-assistance. Within this context, an effectiveness-oriented approach has thus extended these notions to associate environmental assessment with development undertakings financed by grant funds, as well as with undertakings supported by multilateral instruments. The related conceptual framework requires that the output results emerging from the EA or EIA process (e.g., mitigation measures) be adopted and followed up by independent project management. For example, this can take the form of an independent and external project environmental management structure - linked to environmental institutions by capacity development schemes. Adoption of the environmental overview concept (i.e., the approach suggested in the UNDP environmental management guidelines) has also been considered in real-world cases. Consistent with this stand, the Italian Presidency of the EU targeted the environment as one of the priorities in the course of its mandate, and promoted the initiative that resulted in the adoption of the Council Regulation on Environmental Assessment in Development Co-operation of July 1996, and the development of the new Environment Council Regulation (EC) no.722/97, of 22.4.1997 on environmental measures in developing countries in the context of sustainable development.

NATIONAL LEGISLATION

Act: Within Italy, environmental assessments may be required under various national acts, decrees or directives. As a member of the European Union, Italy must comply with the EEC legislation on environmental assessment (85/337 EEC Directive and subsequent developments). These legal instruments only apply to domestic activities. However, Act No. 412, passed in 1991, integrates Italy's development co-operation activities with environmental impact assessment legislation. It requires that infrastructure projects financed with soft-loans be subject to an assessment of environmental compatibility.

Administrative Responsibility: The Directorate-General for Development Co-operation (DGCS), Ministry of Foreign Affairs, has overall responsibility for the implementation of Act No. 412.

Objectives: To ensure that effects on the environment generated by undertakings involving capital, raw materials, labour and land alterations are avoided or made acceptable through the achievement of the following objectives:

- reduction of risk to the population;
- mitigation of health problems;
- minimization of disturbance to ecological systems;
- restoration of degraded environments;
- mitigation of socio-economic impacts;
- mitigation of microclimate and global change problems.

Application: Act No. 412 establishes that grant-financed development co-operation undertakings must be conducted through public tenders, and dictates that aid assistance loans be complemented by an environmental assessment (environmental compatibility) or by an environmental impact assessment (EIA), in accordance with with European Union regulations and the related national legislation in force. Interventions and initiatives promoted by NGOs are excluded from the procedure.

Definition of Environment: Includes atmosphere, water, soil and subsoil, vegetation, flora, fauna, ecosystems, public health, noise and vibrations, ionising and non-ionising radiation, and landscape.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

Policy: Based on the Handbook for the Assessment of Environmental Compatibility of Development Co-operation Projects, prepared by the Agency for New Technologies, Energy and Environment (ENEA) for the Directorate-General for Development Co-operation, Ministry of Foreign Affairs (1993). The main provisions of the policy:

- set the criteria for "environmental adjustment" in all phases of a project:
 - identify elements of the projects with potential impacts on environmental components and factors;
 - investigate the available means to reduce impacts;
 - compare costs and benefits of possible solutions;
 - make use of knowledge by all the participants in the process.
- conduct field investigations:
 - evaluate investigation priorities;
 - adopt simple and effective control procedures.
- defines the environmental components to be safeguarded;
- classifies and prioritises impacts and targets according to economic and technical criteria;
- provides analysis and control techniques;
- establishes sectoral guidelines

KEY ELEMENTS OF ASSESSMENT

- initial environmental screening/initial environmental screening report;
- environmental compatibility assessment/environmental compatibility assessment report;
- environmental impact assessment/environmental impact assessment report;
- monitoring/advancement reports;
- ex-post evaluation/evaluation report.

KEY REFERENCE DOCUMENTS

- (1) Act No. 412 of 30, December, 1991.
- (2) Handbook for the Assessment of Environmental Compatibility of Development Co-operation Projects (1993), DGCS, Ministry of Foreign Affairs.

CONTACT

Directorate-General for Development Co-operation, Technical Unit, Headquarters, Ministry of Foreign Affairs, Via S. Contarini 25, 00194 Rome, Italy.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

ITALY

(Procedural Requirements)

OVERVIEW

The Directorate-General for Development Co-operation (DGCS), Ministry of Foreign Affairs, has produced a Handbook for the Assessment of Environmental Compatibility of Development Co-operation Projects. This manual provides procedural guidance throughout the main phases of the assessment process: (1) negotiation and planning, (2) screening, (3) assessment of environmental compatibility, (4) environmental impact assessment, (5) implementation and monitoring, and (6) ex-post evaluation.

GENERAL REQUIREMENTS

Legal: Act No. 412 (1991) establishes that infrastructure projects funded with soft-loans by the Interministerial Committee for Development Co-operation (CICS) should be subject to environmental compatibility assessment.

Policy: The process of environmental compatibility assessment involves the following procedure:

- Upon receipt of a proposal, the DGCS appoints a "Project Responsible", who is in charge of the management of the project, and an Environmental Co-ordinator, who is charged with relations with the external technical support agency.
- A technical and management procedure is established for the environmental re-examination of the proposal.
- External technical support, in the form of consultants and experts, the Agency, is activated for the environmental re-examination.

NEGOTIATION AND PLANNING

Following receipt of an official request for funding from a recipient country, the DGCS activates a procedure of negotiation and project planning:

- identification of recipient country needs;
- setting up of the project;
- information on political, legislative, and environmental procedures.

SCREENING

The "Project Responsible", together with the Environmental Co-ordinator, screens the project to decide whether (1) it is excluded from further assessment, (2) it needs an in-depth study or an environmental compatibility assessment, or (3) it requires a full environmental impact assessment according to Italian law. The main elements of screening include:

- assessment of the comprehensiveness of all documentation;
- determination of whether the project is on Control List No. 1, "Project Category" (excluded unless in vulnerable environments);
- determination of whether the project is on Control List No. 2, "Vulnerable Environments" (subject to further assessment);
- determination of whether the project is on Control List No. 3, "Projects Subject to an EIA in Italy" (EEC Directive 85/337, Annex 1, plus dams of a certain size).

ENVIRONMENTAL COMPATIBILITY ASSESSMENT

Non-excluded initiatives are subject to an environmental compatibility assessment, including:

- identifying the principal environmental sensitivities;
- evaluating the main impacts;
- quantifying effects in economic or value terms;
- analysing preventative and mitigative measures;
- analysing the effects of measures on project feasibility;
- concluding with a judgement of acceptance, project modification, or the need for a full EIA;
- in the last case, the environmental compatibility assessment includes the terms of reference for the EIA.

ENVIRONMENTAL IMPACT ASSESSMENT

When required by Italian law, or following an environmental compatibility assessment, a project is subjected to a full EIA. In the first case, the Project Responsible requires the Agency to prepare TOR for the EIA, to be carried out by the proponent. In the second case, the proponent follows the TOR prepared during the environmental compatibility phase. The EIA report is examined by the Agency, which submits to DGCS an EIA Re-examination Report. Both reports are submitted to the EIA Commission of the Ministry of Environment, which provides the final opinion. In the case of a positive opinion, decision makers at DGCS receive the evaluation form, together with the EIA report, the EIA Re-examination Report, and the opinion of the EIA Commission.

FOLLOW-UP ACTIVITIES

Following project completion, impact monitoring is conducted, which results in advancement reports.

KEY REFERENCE DOCUMENT

Handbook for the Assessment of Environmental Compatibility of Development Co-operation Projects, Directorate-General for Development Co-operation, Ministry of Foreign Affairs, 1993.

CONTACT

Directorate-General for Development Co-operation, Technical Unit, Headquarters, Ministry of Foreign Affairs, Via S. Contarini 25, 00194 Rome, Italy.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

JAPAN

(Legal/Policy Base)

OVERVIEW

In Japan development co-operation is implemented by the Japan International Co-operation Agency (JICA), which is responsible for technical assistance, and the Overseas Economic Co-operation Fund (OECF), which administers development loans. The results of JICA's pre-development studies, including environmental review, are often incorporated into feasibility studies for projects being considered by loan-executing agencies, including OECF. Principles of Japan's ODA are outlined in the Official Development Assistance Charter of 1992.

NATIONAL LEGISLATION

One of the principles of Japan's development co-operation, as stated in Japan's development co-operation Charter (cabinet resolution), is that environment and development should be pursued in tandem. The Environment Law, a comprehensive legislation passed in 1993, requires the Government to make efforts to consider global environmental conservation, etc., in areas where its international co-operation is implemented.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

Japan's development co-operation policy, including environmental policy, is stated in the Official Development Assistance Charter adopted by cabinet in 1992. The basic features of the Charter are:

Basic Philosophy: Basic elements include i) humanitarian considerations, ii) recognition of inter-dependence in the international community, iii) environmental conservation and iv) supporting the self-help efforts of developing countries moving towards economic take-off.

Principles:

- simultaneous pursuit of environmental conservation and development;
- avoiding the use of development co-operation for military purposes or for aggravation of international conflicts;
- paying close attention to trends in recipient countries' military expenditures, development and production of weapons of mass destruction, and the export/import of arms;
- encourage efforts to promote democratisation;
- market-oriented economies, and to the conditions related to basic human rights and freedoms..

Priorities: i) global problems, such as the environment and population, ii) basic human needs, iii) human resources development and research and other co-operation for improvement and dissemination of technologies, iv) infrastructure improvement, and v) structural adjustment.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

Definition: Japan applies the concept of "environmental consideration" to development co-operation activities. Environmental consideration is the process of assessing the significant environmental impacts of a proposed project, and proposing practical measures to avoid or mitigate negative impacts. Environmental consideration includes screening and scoping, which may lead to Initial Environmental Examination (IEE), Pre-EIA or Full EIA. It includes impacts on natural and social systems and is normally undertaken in co-operation with the recipient country.

Guidelines: JICA and OECF have developed guidelines which are used by agency staff and officials from recipient countries in applying environmental consideration at an early stage in project planning. Development studies, master plans and projects are subject to environmental consideration.

Main Provisions:

- Japan will not consider a proposal unless it has been reviewed for environmental effects by the recipient country, and even then Japan carries out its own checks.
- The environmental consideration process is undertaken in co-operation with the recipient country to ensure that requests for assistance meet guidelines.
- The environmental consideration process must take account of recipient country environmental regulations.
- Japan requires a recipient country to take all necessary measures related to forced resettlement and checks if these measures are taken.
- Depending on the project, it may be necessary to solicit the opinions of residents.

KEY REFERENCE DOCUMENTS

- (1) The Basic Environment Law (1993 Law No. 91. Effective on 1993/11/19).
- (2) Japan's Official Development Assistance Charter, June 30 1992.

CONTACT

JICA, Planning Department, 2-2-2, Yoyogi, Shibuya-Ku, Tokyo 151, Japan. OECF, Project Development Department, 4-1, Ohtemachi 1-Chome, Chiyoda-Ku, Tokyo 100, Japan.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

JAPAN (Procedural Requirements)

OVERVIEW

In Japanese ODA environmental policy the term "environmental consideration" is synonymous with the concept of environmental assessment. JICA and OECF have developed different guidelines for implementing the process of environmental consideration. JICA guidelines are used by agency staff and officials of recipient countries in joint development studies. OECF guidelines are primarily aimed at developing country officials to assist them in preparing loan requests and are used by the agency staff in the appraisal.

GUIDELINES

JICA and OECF guidelines contain sectoral checklists of significant impacts. JICA has documents covering 19 sectors, including dam construction, agricultural projects, rural development, etc. OECF has a series of checklists for 17 sectors as well as a set of basic rules for environmental conservation. JICA guidelines give more explicit instructions for screening and scoping.

Both agencies require the guidelines to be applied at the earliest stages of project planning (identification or pre-appraisal). Both require consideration of environmental laws and standards of the recipient country and adherence to relevant international treaties.

SCREENING AND SCOPING

In JICA guidelines, screening and scoping are linked, i.e., the results of scoping are required to complete the screening. They are applied at two stages:

Initial Screening and Scoping

These activities are done in-house by JICA staff using available information provided by proponent. Potentially Significant Environmental Impacts (SEIs) are listed under: (1) socio-economic, (2) health, (3) culture, (4) ecology, (5) soil, (6) hydrology, air/water quality, (7) landscape and minerals. If one or more SEIs are identified, further study is required.

Joint Screening and Scoping

These activities are conducted by the preparatory study team in co-operation with the recipient country, to confirm or change the results of the initial screening and scoping. SEIs are classified as "A" (definitely induced by the project), "B" (likely to be induced), "C" (not induced) and "D" (unknown). A simple rating system is used to set the level of environmental assessment required: any "A" or "B" requires a Pre-EIA or EIA in the Feasibility Study; "C" and "D" require an Initial Environmental Examination (IEE) in the initial stages of Feasibility Study; and "C" imply no further environmental studies required.

In the OECF guidelines, screening is determined by OECF using the guidelines' criteria at the appraisal stage. Scoping is to be done by the recipient country, however, key issues are identified in the guidelines for the 17 categories of projects.

Screening:

Projects are classified into 3 categories ("A", "B" or "C") according to their potential impact. For category "A" projects (which may have significant potential impact), EIA in the recipient country is to be submitted to OECF. Category "B" projects (in which impacts are less severe than that of "A"), as well as category "A" projects, are reviewed in the light of the guidelines. For category "C" projects, (which may have no impact), review in the light of guidelines may be omitted.

Scoping:

Impacts identified in sectoral checklists are to be rated as "Major", "Small", or "Not Clear". Specified problems and the countermeasures are also described according to such key check items as pollution, natural and human environment and others.

Detailed Assessment:

Under JICA guidelines, depending on the results of environmental screening and scoping, it may be necessary to conduct an IEE, Pre-EIA or full EIA. Under OECF guidelines, detailed assessment is required for category "A" project. Neither JICA or OECF guidelines specifically define the scope and content for such reviews. However, based on the information required for screening and scoping, the following topics would appear to be important:

- objectives and justification for the proposed project;
- beneficiaries of the project;
- impacts on land ownership and land use;
- impacts on the general economic activity of the area;
- impacts on ethnic, tribal or nomadic peoples;
- impacts on local culture and customs;
- public health considerations;
- rare or endangered species;
- environmentally fragile lands (arid lands, tropical forests, wetlands, coastal zones and closed water bodies).

FOLLOW-UP ACTIVITIES

Environmental monitoring, primarily to determine the effectiveness of mitigation measures, is discussed under the specific environmental impacts listed for each of the sectors. Monitoring may be included in an EIA as part of an Environmental Management Plan or may be incorporated under Environmental Protection Measures. The recipient country is expected to take the prime responsibility for monitoring, with periodic follow-up evaluations conducted by JICA and OECF.

KEY REFERENCE DOCUMENTS

- (1) Sectoral Study for Development Assistance, "Environment", Dec. 1988, Aid Study Group on Environment, JICA.
- (2) OECF Environmental Guidelines, 2nd Version, August, 1995, OECF.

CONTACT

JICA, Planning Department, 2-2-2, Yoyogi, Shibuya-ku, Tokyo 151, Japan. OECF, Project Development Department, 4-1, Ohtemachi 1-Chome, Chiyoda-Ku, Tokyo 100, Japan.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

NETHERLANDS

(Legal/Policy Base)

OVERVIEW

The Netherlands has environmental assessment legislation (revised in 1994), the general principles of which are similar to those applied in ODA. NEDA, the Netherlands Development Assistance of the Ministry of Foreign Affairs, has responsibility for ODA policy. A policy document published in 1990 and subsequent new policy documents set poverty alleviation as the main policy objective for development co-operation. Environmental assessment is considered an important contribution to sustainable development, being the main policy principle. Integration of environmental assessment into the project and programme cycle is called for.

NATIONAL LEGISLATION

Act: Environmental Protection (General Provisions) Act 1986, became Environmental Management Act 1993 (revised in 1994).

Administrative Responsibility: The Act is jointly administered by the Ministry of Housing, Physical Planning and Environment and the Ministry of Agriculture, Nature Conservation and Fisheries.

Objective: The objective of the Act is to ensure that environmental concerns are accounted for in planning and decision-making processes.

Application: Applies to all private companies and government agencies (referred to as "competent authorities").

Definition of Environment: Includes all fauna, flora, goods, water, soil and air and the relations between them as well as aesthetic, scientific and socio-economic values.

Basic Provisions

- requires the preparation of Environmental Impact Statements (EISs) for designated activities (and related decisions) deemed to have serious, harmful consequences for the environment;
- activities deemed harmful to environment are designated in regulations complying with the EC Directive of 1985;
- outlines the minimum content for an EIS, including the description of alternatives amongst which is the alternative most favourable to the environment;
- prescribes a formal scoping process resulting in guidelines (project-specific actions) concerning environmental aspects; and,
- establishes an independent Commission for Environmental Impact Assessment (Commission for EIA), advising on scoping and reviewing for all EIAs executed.

Public Consultation: Provides directions to competent authorities regarding public inspection of their recommendations and decisions, and for the holding of public meetings. Public consultation takes place both during scoping and reviewing phases.

Decision-Making: The competent authority must show how their final decisions regarding the proposed project are influenced by the results of the EIS and public consultations and recommendations from the Commission for EIA.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

Policy: The policy document *A World of Difference*, published by Directorate General for International Development Co-operation, Ministry of Foreign Affairs, 1991.

Main Provisions:

- Sets sustainable development as main policy objective.
- Recognises environmental assessment for policies and programmes as an activity to reach the policy objective.
- Protection of the "ecoscope" is critical; ecoscope includes all economic uses of the environment.
- Integration of environmental assessment into the policy of the Ministry is necessary to avoid a reduction in the ecoscope.
- Priorities are poverty alleviation, women in development (WID) and environmental protection.
- Environmental assessment is a prior condition for funding of certain projects.
- Environmental assessment must be integrated into the project cycle "as an overall aspect of project preparation, implementation, monitoring and evaluation".
- Consultation with target groups and the local population is considered important.

KEY ELEMENTS OF ASSESSMENT

- initial environmental screening;
- scoping, with advice from the Commission for EIA in selected cases;
- environmental impact statement;
- reviewing, in selected cases by Commission for EIA;
- monitoring;
- evaluation.

KEY REFERENCE DOCUMENTS:

- (1) The Environmental Management Act 1993.
- (2) *A World of Difference: A New Framework for Development Co-operation in the 1990s*, March, 1991 and *A World in Dispute*, 1993.

CONTACT

NEDA of the Ministry of Foreign Affairs, Postbus 20061, 2500 EB The Hague, the Netherlands.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

NETHERLANDS

(Procedural Requirements)

OVERVIEW

Since 1992, Development Screening procedures have been mandatory, by which implications for environment, poverty and women in development (WID) are simultaneously assessed for proposed projects and programmes. The Commission for EIA may provide scoping advice and undertake independent reviews of selected projects and programmes.

GENERAL REQUIREMENTS

Legal: none.

Policy: The Ministry of Foreign Affairs has had mandatory Development Screening procedures since 1992 by which poverty, WID and environment are screened simultaneously. Without the possibility to mitigate and/or compensate for negative effects on any of the three policy items, a proposal is rejected. Since September 1996, responsibilities have been delegated from headquarters to field offices. Since, the process of adjusting the guidelines for environmental screening and assessment focuses mainly on the options for ensuring adequate environmental attention and the management of that process in support of the counterpart.

SCREENING

Project Officer screens all projects by completing three forms (22 boxes) :

FORM 1

- Overall Policy Check
- Type of project interventions
- Target Group
- Final Target Group's Poverty Situation
- Participation of Target Group
- Compliance With DAC/WID Criteria

FORM 2

- Effect on Poverty
- Effect on Women
- Effect on the Environment
- Overall Assessment
- Correction or Compensation
- Negative Side Effects
- Final Scores

FORM 3

- Availability of Documentation
- Feasibility and Sustainability Assessment
- Consideration of Alternatives
- Need for Further Analysis
- Final Assessment

It is also mandatory to consider environmental assessment for proposals defined in OECD Recommendation of June 20, 1985, and activities that are proposed in sensitive areas (e.g. arid areas, wetlands, tropical forests and areas with high cultural value).

SCOPING

- is undertaken after a project passes Development Screening;
- determines alternative solutions for identified problem(s);
- used to determine most serious potential environmental impacts and reasonable alternatives;
- involves consultation between the donor agency, policy makers, technical experts, officials of the host government, affected populations and other interested parties;
- advice may be provided by Commission for EIA;
- results in project-specific guidelines to be included in terms of reference (TOR) for an environmental assessment.

DETAILED ASSESSMENT

A project-specific environmental assessment (EIS) should normally cover the following topics (Note that the decision to proceed with the project is made in the screening process):

- (a) Executive summary
- (b) Problem and aim
- (c) Proposed activity and alternatives
- (d) Baseline data
- (e) Impact description
- (f) Comparison of alternatives
- (g) Gaps in key data
- (h) Mitigation and monitoring plans

REVIEWING

Reviewed by project officer and external review in selected cases by Commission for EIA.

FOLLOW-UP ACTIVITIES

The country sections, in consultation with environmental experts, are responsible for project monitoring. This may involve verifying the success of environmental action plans, including mitigation and compensation.

KEY REFERENCE DOCUMENT

- (1) *Explanatory Notes on Development Screening* (undated), Development Co-operation, Ministry of Foreign Affairs, 1992.

CONTACT

NEDA, Ministry of Foreign Affairs, Postbus 20061, 2500 EB The Hague, The Netherlands.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

NEW ZEALAND (Legal/Policy Base)

OVERVIEW

The New Zealand Official Development Assistance Programme (NZODA) policy framework (*Investing in a Common Future*, 1996) specifies the NZODA policy statement on development and the environment (adopted in April 1990). The environment policy statement is in four parts, the first two being focussed on EIA: New Zealand will “effectively integrate environmental protection into the development assistance programme”, and “implement procedures for assessing and monitoring the environmental impact of development activities which New Zealand assists”. This policy is applied via guidelines and standard criteria related to each part of the project management cycle. NZODA is currently reviewing its project management cycle guidelines and producing them as a manual. This is due to be released later in 1998. Existing guidelines were published in October 1994 entitled: *Guidelines for Consultants - Requirements and procedures for the engagement of consultants under New Zealand's Official Development Assistance Programme*. NZODA project cycle guidelines assist programme staff, particularly in their management of consultants, to ensure that appropriate EIA is undertaken throughout the project cycle. Both the NZODA bilateral and regional programmes utilise consultants to undertake specific tasks and for overall programme implementation (Management Service Consultants).

GUIDELINES

NZODA project cycle guidelines identify nine main stages:

- Initial screening
- Project identification study
- Prefeasibility stage
- Feasibility stage
- Project design
- Feasibility/Design study
- Project implementation
- Project review
- Ex-post evaluation

Each of these stages relates to a standard terms of reference and progressively advances EIA throughout the life of the project.

SCREENING

The Programme Manager, calling on assistance from the Environment Specialist (Evaluation, Appraisal and Programme Support Division) as necessary, is responsible for the initial screening of project proposals. A Screening Guide is to be followed for each project. EIA is integrated into the overall project assessment framework and is not considered as a separate process.

Should a proposal pass the initial screening, a project identification or prefeasibility study is commissioned, depending on the circumstances of the proposal and the outcome of the initial screening. Among other specifications, preliminary assessment is required of:

- potential social, economic and environmental impacts;
- gender specific roles and impacts;
- technical and institutional feasibility.

At the prefeasibility stage, logical framework analysis is required to identify both risks and risk management strategies.

Feasibility studies are required to:

- collect and analyse data to test and improve the proposal developed to date, and
- determine the viability and sustainability of the project and provide the basis for a decision as to whether full project design is to proceed.

The feasibility study will look at:

- technical feasibility;
- institutional viability;
- financial analysis;
- economic analysis;
- social analysis;
- environmental analysis.

Environmental analysis will include:

- description of proposed project inputs, activities and outputs likely to have environmental impact;
- description of the surroundings of the project and the environmental baseline conditions against which future impacts can be assessed;
- assessment of the significance and probability of potential impacts;
- evaluation of possible mitigation and avoidance measures;
- recommendation of monitoring indicators.

Social analysis will include:

- comprehensive social survey using participatory methodologies to prepare a socio-economic baseline and identify monitoring indicators;
- examination of gender specific roles in project activities, access to and control of development resources and benefits, and potential differential impacts on women;
- evaluation of project activities to determine differential impacts on project communities;
- identification of mitigation and avoidance measures;
- recommendations on monitoring indicators.

Economic analysis will include:

- detailed cost benefit analysis;
- estimate of costs and benefits of mitigation and avoidance measures.

MEDIATION OR PUBLIC REVIEW

There are no formal procedures for mediation or review. However, partner country EIA procedures will be supported and the relatively small size of NZODA allow for management of the project cycle by Programme Managers, with the support of the Environment Specialist, to identify projects with particular environmental sensitivity and tailor procedures accordingly.

CONTACT

Environment Specialist, Evaluation, Appraisal and Programme Support, Development Co-operation Division, Ministry of Foreign Affairs and Trade, Wellington, New Zealand.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

NEW ZEALAND (Procedural Requirements)

OVERVIEW

In April, 1990 New Zealand Official Development Assistance (NZODA) adopted its *Policy Statement on Development and the Environment* which requires all New Zealand aid policies and programmes to be environmentally responsible by promoting environmentally sustainable development that is consistent with the economic and social needs and priorities of recipient countries. This policy was re-affirmed within an integrated NZODA policy framework released in February 1996 (*Investing in a Common Future - Policy framework for New Zealand Official Development Assistance*). Subsequent policy development of relevance has included an up-dated *Gender and Development Policy* (1998) and a *Global Environment Issues Strategy for the South Pacific* (1996).

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

The NZODA environment policy framework has four components:

1. Effective integration of environment protection into the Development Assistance Programme.
2. Implementation of procedures for assessing and monitoring the environmental impact of development activities which New Zealand assists.
3. Co-operation with developing countries to strengthen their capacity to anticipate, identify, assess and resolve issues of environmental protection, natural resources management and nature conservation.
4. Co-operation with other donors to ensure that aid programmes and projects contribute to social and economic development which is environmentally sustainable.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

Effective integration of environment protection into the Development Assistance Programme will be achieved by:

- ensuring all policies and proposed programmes and projects are able to contribute to sustainable development;
- providing early assessment of environmental risks and opportunities in proposed development assistance programmes and projects;
- co-operating with other donors to assist developing countries as provided for in international conventions dealing with the protection of the environment;
- evaluating environmental aspects of on-going programmes and projects, and responding to the recommendations of environmental assessments.

Implementation of procedures for assessing and monitoring the environmental impact of development activities which New Zealand assists will be achieved by:

- screening each activity for environmental soundness and undertaking EIA as required;
- developing and maintaining an environmental information and analysis system.

Co-operation with developing countries to strengthen their capacity to anticipate, identify, assess and resolve issues of environmental protection, natural resources management and nature conservation will include:

- providing technical assistance to strengthen national, regional and local natural resource management agencies and their approaches to environmental protection;
- funding environmentally focused and conservation oriented activities;
- providing support for training of recipient country personnel in pollution control, asset and natural resource management, and EIA;
- assisting countries to take measures to reduce ozone depletion and greenhouse gas emissions and to predict, monitor, limit, and adapt to the effects of climate change;
- promoting the full participation of women in sustainable development programmes;

- assisting countries to develop sustainable forms of natural resource use in agriculture, fisheries, forestry, tourism, energy, and other sectors;
- providing support for family planning programmes;
- providing support for the elimination of poverty, offering poverty alleviation in both rural and urban areas;
- supporting non-government initiatives through the Voluntary Agency Support Scheme.

Co-operation with other donors to ensure that aid programmes and projects contribute to social and economic development which is environmentally sustainable will include:

- participation in the OECD programme of research and reporting on aid and the environment;
- promotion of environmental concern in governing councils of international financial institutions such as the World Bank and Asian Development Bank, and multilateral development agencies supported by New Zealand, such as UNDP;
- support for the South Pacific Regional Environmental Programme's role in facilitating environmental management in the South Pacific.

KEY REFERENCE DOCUMENTS

- (1) *Investing in a Common Future: Policy Framework for New Zealand Official Development Assistance* - February 1996.
- (2) *Environment Strategy for the South Pacific: A Policy Framework to Address Global Environment Issues in the South Pacific Region* - November 1996.
- (3) *NZODA Gender and Development Policy* - 1998.

CONTACT

Environment Specialist, Evaluation, Appraisal and Programme Support, Development Co-operation Division, Ministry of Foreign Affairs and Trade, Wellington, New Zealand.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

NORWAY (Legal/Policy Base)

OVERVIEW

The Norwegian Government revised its policy for official development co-operation in the early 1990s followed up by a White Paper "A Changing World. Main elements of Norwegian policy towards developing countries 1995/96". In line with this policy, the Ministry of Foreign Affairs published in 1997 "A Strategy for Environment in Development Co-operation". That document reaffirms the Norwegian Agency for Development Co-operation (NORAD's) commitment to evaluating the environmental consequences of all current and planned development co-operation programmes.

LEGAL/POLICY BASE

In Norway there is no legal requirement to consider potential environmental effects of the development co-operation programme. However, in accordance with the development co-operation policy of the Norwegian Government in the early and mid 1990s, NORAD has reaffirmed its commitment to evaluate the environmental consequences of all development co-operation activities.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

In April 1997, the Ministry of Foreign Affairs published *A Strategy for Environment in Development Co-operation* to guide its activities in development co-operation.

The main objective of environmental assistance is to contribute to a "sound management of the global environment and biological diversity". The following four areas have been given priority:

- Development of sustainable production systems.
- Conservation and sustainable use of biological diversity.
- Reduced pollution of soil, air and water.
- Preservation of cultural heritage and management of the natural environment's cultural values.

The strategy for environmental assistance is based on Report no. 19 to the Parliament and the guidelines set out therein and the follow-up of international commitments in Agenda 21. The plans entail that Norwegian development assistance shall contribute to enhancing international co-operation in order to address the considerable global challenges we are facing by::

- Participating in international negotiations and global processes.
- Supporting the participation of developing countries in international negotiations.
- Participating in the governing bodies of multilateral organisations in order to strengthen activities which combine environment and development.
- Supporting recipient countries' efforts to implement international environmental commitments and other national environmental priorities.

Environmental assistance also aims at:

- Integrating environmental concerns into all Norwegian-supported development assistance when this is relevant through an extensive use of environmental impact assessments.
- Establishing environment-specific programmes.

APPLICATION OF EIA TO DEVELOPMENT CO-OPERATION

According to the strategy the development assistance administration shall:

- Strengthen the environmental focus in bilateral and multilateral projects.
- Develop administrative procedures to ensure that the guidelines in the strategy are observed.
- Improve the project cycle with particular emphasis on developing and evaluating alternative projects (pre-project phase) at the beginning of the project cycle.
- Develop methods and/or procedures in order to integrate the role of women into the planning and implementation of environmental projects.
- Ensure that environmental impact assessments are carried out before making a decision on financing; it is important that decisions concerning projects with environmental effects shall not be initiated without complete environmental impact assessments.
- Evaluate/analyse the results of a project compared with development and project objectives (quality assurance).

KEY REFERENCE DOCUMENTS

- (1) Report No. 19 to the Storting (1995/96). "A Changing World. Main elements of Norwegian policy towards developing countries". Ministry of Foreign Affairs.
- (2) "A Strategy for Environment in Development Co-operation". Ministry of Foreign Affairs, 1997.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

NORWAY

(Procedural Requirements)

OVERVIEW

In 1988 NORAD adopted a system for environmental assessment (EIA-System) of development aid projects which recognises three stages: *i*) screening, *ii*) initial assessment and *iii*) full assessment. The system incorporates check lists for initial environmental screening of different types of projects. Since then NORAD has published a series of 13 booklets which provide directions for undertaking initial assessments of project categories (sectors) considered to have major impacts on the environment.

GUIDELINES

NORAD has produced general guidelines for an EIA-System for development aid projects which consists of three stages: *i*) initial screening, *ii*) initial assessment and *iii*) full assessment. There are separate guidelines for initial assessment for 13 development sectors. The EIA-System assesses the impacts on:

- the natural environment;
- the natural resource base;
- the future management of natural resources;
- the man-made environment; and,
- the health of the population.

Consideration of the socio-economic effects of a project is limited to the extent to which they lead to alterations in the use of the natural resources by the local population.

SCREENING

The checklists for initial screening of project types provided in the general guidelines for the EIA-system consist of a series of questions that refer to various categories of potential impacts. A project that poses one or more of the following problems is required to undergo more detailed assessment:

- impacts on sensitive areas;
- impacts on vulnerable species, habitats or ecosystems;
- has potential to increase erosion;
- may contribute to air or water pollution;
- impacts on natural or man-made environments important to the local people;
- leads to changes in the way of life of local people;
- leads to conflicts related to land use or land ownership;
- may cause changes which could lead to increased pressure by local population on natural resources;
- could lead to introduction of exotic species;
- increases health risks;
- creates waste disposal problems;
- leads to major changes in the landscape; and
- impacts traditional use of wildlife stock

INITIAL ASSESSMENT

An initial assessment provides an overview of the positive and negative effects of a proposed project, based on available information. NORAD has developed guidelines to assist project officers to complete initial assessments for 13 types of projects (sectors) causing significant environmental impacts. The guidelines describe the basic characteristics of development and the general impacts which could result. Detailed checklists of environmental considerations include:

- alternatives to the proposed project;
- potential for air and water pollution;

- risk to vulnerable ecosystems, species and habitats;
- resulting conflicts from changes in land use;
- impacts on public health;
- effects on vulnerable groups, e.g., women and children;
- effects on traditional way of life.

FULL ASSESSMENT

Only large or controversial projects need a full assessment. A full assessment is similar in scope to an initial assessment, but incorporates original data, more thorough analyses and possibly cost-benefit studies. There are no detailed guidelines on format or content.

FOLLOW-UP ACTIVITIES

The guidelines call for special efforts to follow up on all projects which have been subjected to initial or full assessments, but no details are given. NORAD will assess the administrative routines in order to see that the environmental aspects are properly integrated in the planning and implementation of projects and programmes in 1998. The guidelines will be revised in 1998.

KEY REFERENCE DOCUMENTS

- (1) The series: "Environmental impact assessment of development aid projects" (no. 1 - 13).
- (2) Check Lists for Initial Screening of Projects, December 1993, NORAD

CONTACT

Royal Ministry of Foreign Affairs, P.O. Box 8114 Dep. N-0032 Oslo, Norway.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

SWEDEN

(Legal/Policy Base)

OVERVIEW

In 1988 the Swedish Parliament adopted a fifth policy goal requiring development assistance to contribute towards sustainable use of natural resources and environmental protection. The Swedish International Development Co-operation Agency (Sida), established in 1995, is now the only agency responsible for Sweden's official development assistance. Sida has sought to integrate environmental issues into all policy areas in a decentralised manner. The environmental assessment guidelines from 1991 were adopted by Sida in 1995. The guidelines are currently being revised in order to reflect the changes within the organisation as well as methodological development within the area of environmental assessment.

NATIONAL LEGISLATION

The Environmental Protection Act 1969:387 (with later amendments) includes general environmental impact assessment requirements. It does not specifically treat environmental aspects of development assistance.

POLICY BACKGROUND FOR DEVELOPMENT CO-OPERATION

The Swedish International Development Co-operation Agency (Sida) was established in July 1995, through a merger of five agencies (SIDA, SEARCH, BITS, SwedeCorp and Sandö U-Centrum). Sida is therefore the only agency responsible for Sweden's official bilateral development co-operation. However, part of the multilateral development co-operation is channelled directly through the Swedish Ministry for Foreign Affairs.

Apart from the overall goal of poverty reduction, the Swedish Parliament has adopted six major policy goals for official development co-operation: *i)* economic growth, *ii)* economic and social equity, *iii)* economic and political independence, *iv)* democratic development, *v)* environmentally sustainable development, and *vi)* gender equality.

For co-operation with Central and Eastern Europe, the Parliament has adopted four special goals: *i)* promote common security, *ii)* deepen the culture of democracy, *iii)* promote environmentally sustainable development, and *iv)* promote socially sustainable economic transition.

In 1994 a special committee, appointed by the Swedish Government, presented the report *Sustainable Aid: Swedish Development Assistance after UNCED*, which discusses a wide range of issues within Swedish development co-operation and relations to environmentally sustainable development, and contains recommendations on priority areas.

In January 1996, based on the report of the Commission, Sida adopted a *Policy on Sustainable Development* and launched a comprehensive *Action Programme for Sustainable Development*, involving all areas of Sida's operation. The Policy and Action Programme assumes a broad definition of sustainable development, which integrates ecological and environmental issues with economic, social, cultural and political ones. Environmental aspects should be integrated into all activities of the organisation and the responsibility for environmental consideration is decentralised and therefore includes all staff within their respective field of operation. Separate policies have been developed for important sectors, such as energy. Another important issue of the Action Programme is capacity and institutional development within the countries of co-operation. In 1997 the Action Programme was revised due to the fact that a large part of the actions have been completed.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

To reflect the intent of the environmental policy goal, Sida considers that prior assessment of the environmental impacts of development is essential. Accordingly, practical environmental assessment guidelines were developed in 1991, to help administrators recognize environmental risks at an early stage in project planning. The guidelines are currently being revised, in order to reflect changes in the organisation and methodological development in the field of Environmental Impact Assessment during the last years.

The intention is also that environmental assessments, which are compulsory, will heighten the environmental awareness in the administration of development assistance at all levels. A special programme of environmental training has been developed to help Sida personnel meet their responsibilities. Sida also requires that non-government organisations, consultants, and its other partners integrate environmental aspects into projects supported by Sida.

Sida also prepares an environmental analysis for each programme country in order to better understand the environmental conditions and linkages to different sectors and issues in the different countries. These analyses are useful in setting assistance priorities to help ensure the achievement of sustainable development.

KEY REFERENCE DOCUMENTS

- (1) *Policy and Action Programme for Sustainable Development*, 1996. Sida (revision under development).
- (2) *Guidelines for Environmental Impact Assessment*, 1991. Sida (available in Swedish only) - revision under development.

CONTACT

Environment Policy Division, Department for Natural Resources and the Environment, Sida, Sveavägen 20, S-105 25, Stockholm, Sweden.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

SWEDEN

(Procedural Requirements)

OVERVIEW

The Swedish International Development Co-operation Agency (Sida) has formally adopted environmental assessment guidelines to be applied early in the planning process for all programmes and projects. The guidelines help Sida officials implement the intent of the fifth policy goal, which requires development aid to contribute towards sustainable development and environmental protection. The guidelines involve a three-stage process - Screening, Initial Assessment and In-Depth Assessment.

GENERAL GUIDELINES

The environmental assessment guidelines are currently being revised. They aim to ensure that projects and programmes planned by Sida reflect the goal of sustainable use of resources and environmental protection on note the importance of altering or rejecting a proposal early in the planning process, compared to the difficulty of correcting environmental problems afterwards. They include the three stages described below.

SCREENING

The Desk Officer classifies every relevant proposal into one of three categories:

- (1) projects with no or minor environmental consequences;
- (2) projects which can result in significant impacts, or in which the environmental effects are unclear (such projects shall proceed to Initial Assessment);
- (3) projects which should be rejected because of high potential for significant environmental damage.

INITIAL ASSESSMENT

- Usually done as an in-house assessment by the Desk Officer or, in some cases, by contracted experts;
- If the initial assessment indicates that the environmental consequences are acceptable, the assessment can be terminated
- If the initial assessment indicates that the environmental effects are totally unacceptable, the assessment is terminated and a detailed report is prepared.
- If the environmental effects are judged to be extensive, unclear or difficult to assess, the assessment shall proceed to an in-depth assessment.

Desk officers can use checklists for the following sectors: agriculture; water supply and regulation; forestry; construction; fisheries/aquaculture; industry; use of chemicals; mining; transportation/communication; waste; energy; health and education.

IN-DEPTH ASSESSMENT

- Implies that the Desk Officer employs an environmental assessment team(s) which conducts in-depth field studies.
- The assessment must be focused on important or little known aspects, but must also be flexible enough to avoid having consultants take too narrow an approach.
- The methodology used in the in-depth assessment is usually specialised and tailored to the particular project being assessed.

- The specialists' reports shall contain a summary of the environmental effects, which can be used as support for the Desk Officer's own assessment and reporting.
- The Desk Officer shall report whether the project is environmentally acceptable, after suitable modifications, or so environmentally damaging that it should be rejected.
- If the project is acceptable, where necessary, recommendations should be made on reducing its effects (including long-term) on the environment.

The structure of the assessment report is as follows:

- (a) General background;
- (b) Description of the project;
- (c) Description of the environment;
- (d) Objectives of the assessment;
- (e) Stages of work;
- (f) Personnel;
- (g) Time schedule and reports.

FOLLOW-UP ACTIVITIES

Desk Officers have the responsibility for environmental monitoring of projects, including both impacts and results.

KEY REFERENCE DOCUMENTS

Guidelines for Environmental Impact Assessment, 1991. SIDA (available in Swedish only) - revision due 1997.

CONTACT

Environment Policy Division, Department for Natural Resources and the Environment, Sida, Sveavägen 20, S-105 25, Stockholm, Sweden.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

SWITZERLAND (Legal/Policy Base)

OVERVIEW

Environmental objectives rank high among the strategic objectives of Swiss development co-operation as formulated in overall policy documents. Environmental issues are interpreted as cross-sectoral issues that must be addressed in an appropriate manner depending on the nature of the projects. The project portfolio of Swiss development co-operation emphasises process-oriented development of human resources and institutions, but also contains larger infrastructure projects as well as private investment projects. The strategy chosen by Switzerland relies heavily on the capacity and responsibility of its staff and less on formalised procedures for screening and scoping.

NATIONAL LEGISLATION

The Federal Law on International Development Co-operation and Humanitarian Assistance (1976) represents the legal foundation for Swiss development activities. Swiss development co-operation aims, first of all, at supporting poorer developing countries, regions and population groups. The establishment and sustaining of an ecological and demographic balance is mentioned explicitly as one of the objectives (Art. 5). However, there is no legal requirement for compulsory formal EIA procedures in development co-operation.

Policy Background for Development Co-operation

Current strategic policy objectives are formulated in the *Guidelines North-South (1994)* as follows:

- upholding and advancement of security and peace
- advancement of human rights, democracy and the rule of law
- advancement of prosperity
- enhancement of social equity
- protection of the natural environment.

Two branches of the Federal government are responsible for development co-operation: (1) the Directorate of Development Co-operation and Humanitarian Aid in the Foreign Ministry, called Swiss Agency for Development and Co-operation (SDC), with around 400 employees, and (2) the Federal Office of Foreign Economic Affairs (FOFEA) in the Ministry of Public Economy, through its Development Policy Division (27 employees).

SDC's mandate primarily concerns technical co-operation and humanitarian aid. The project portfolio of SDC emphasises process-oriented development of human resources and institutions, and contains relatively few larger infrastructure or other projects with an expected adverse environmental impacts.

FOFEA is responsible for financial aid and economic measures, in particular investment promotion and mixed financing, as well as trade promotion and balance of payments support. It promotes infrastructure and investment projects with a potential environmental impact, but also supports the transfer of environmentally friendly technology.

ENVIRONMENTAL ASSESSMENT IN DEVELOPMENT CO-OPERATION

SDC: SDC does not require compulsory formal EIA procedures. The consideration of environmental aspects is the responsibility of SDC's staff and operational units, who must decide how this task can be performed. Country policy papers and programmes in most cases explicitly address the dominant environmental issues in individual countries. Therefore, in principle, projects and programmes take account of environmental concerns. Formal EIA studies are undertaken only in a small fraction of SDC's projects and programmes. Due to the nature of a majority of SDC projects and programmes, which are geared towards participatory and human resource-intensive activities, methodologies applied in EIA

studies are difficult to apply or may not be adequate in these types of programmes. Another portion of the project portfolio consists of projects that have environmental issues among their objectives.

FOFEA: FOFEA has an obligation to consider the necessity of conducting an EIA in all investment and trade promotion projects, including those implemented through the private sector, which by their nature often have important impacts on the environment. Another set of projects promoted by FOFEA aim to transfer environmentally friendly technology where environmental considerations are part of the project objectives.

KEY REFERENCE DOCUMENTS

- (1) Leitbild der DEH, 1991
- (2) SDC Guidelines North-South (1994)
- (3) SDC Environmental Strategy (1993)
- (4) SDC Environmental Programme, 1994/95-98/99
- (5) SDC Message to the Parliament on the Financing of programmes and projects in favour of global environmental issues
- (6) FOFEA: Message to the Parliament on the Financing of the economic and trade measures (1996)
- (7) Interdepartmental Committee Rio: Transfer and Co-operation in the Area of Environmentally Sound Technologies (1995)

CONTACTS

SDC: Head, Division Environment, Forests, Energy, SDC, Eigerstrasse 73, 3003 Bern, Switzerland.

FOFEA: Head, Investment Promotion and Mixed Financing Section; Head, Trade, Policy and Development Section, Development Policy Division, FOFEA, Effingerstr.1, 3003 Bern, Switzerland.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

SWITZERLAND

(Procedural Requirements)

OVERVIEW

The Swiss Agency for Development Co-operation (SDC) approach works by (i) giving high priority to environmental concerns on policy level (internal guidelines, country programs); (ii) designating officers to act as focal points for environmental questions; (iii) providing support from internal and external specialists on specific questions; (iv) keeping the environmental division informed about all project proposals; (v) making sure the environmental division reviews and, if necessary, raises questions about or objections to new project proposals. Environmental questions are treated on a project-specific basis, according to the importance of these questions as identified during the regular project planning cycle. The Federal Office of Foreign Economic Affairs (FOFEA) requires environmental assessment in all infrastructure investment as well as trade promotion projects carried out by the private sector, except in those aiming directly at environmental issues like the transfer of environmentally sound technology.

GUIDELINES

SDC and FOFEA: Environmental assessment is handled as an integrated part of project assessment procedures. There are no specific procedural guidelines concerning environmental impact assessments. The integration of environmental aspects into planning is pursued through the selection, motivation, and training of staff and through the integration of environmental specialists in the project planning cycle. The operational services have responsibility for the integration of environmental aspects in their planning and implementation activities.

SDC: SDC environmental strategy and the environmental program specify activities through which environmental aspects will be integrated into the projects and programs of the operational sections. Each geographic section of SDC has designated officers to act as environmental focal points. These environmental specialists can bring in, if necessary, support from the Division for Environment, Forests, Energy. Finally, all project proposals are routinely circulated to the environmental division, and the division is expected to raise questions or objections to projects in its internal review committees.

FOFEA: Specialised staff is responsible for dealing with environmental issues in the projects financed by FOFEA. Their role is to raise objections to projects in internal committees and to bring in external expertise if necessary to examine the project proposals.

SCREENING

There are no formal screening criteria within SDC and FOFEA. In the case of SDC, the need for environmental assessments is decided on a case to case basis. In the case of FOFEA, the consideration of environmental impacts is always part of the appraisal of all projects submitted by the private sector, except in those that aim specifically at the transfer of environmentally sound technology.

SCOPING

SDC and FOFEA have no general guidelines for scoping. Decisions on scoping are made on a project-specific basis.

INITIAL/FULL ASSESSMENT

A number of planning guidelines (project planning, external evaluation, monitoring) for the project cycle make reference to environmental questions. A key reference document for SDC is the "Impact Hypotheses", an instrument intended to support staff when identifying sectoral and cross-sectoral environmental issues at an early planning stage. Currently, a set of guiding questions regarding

environmental issues, to be used in other stages of the project cycle, is under preparation within SDC as well as FOFEA.

FOLLOW-UP ACTIVITIES

Environmental issues are part of the monitoring system insofar as these issues have been identified previously as relevant for the achievement of the objectives and the impact of the planned project.

KEY REFERENCE DOCUMENTS

- (1) SDC Environmental Strategy
- (2) SDC Environmental Programme, 1994/95-98/99
- (3) Impact Hypotheses. Development and its environmental impacts. SDC, 1994.
- (4) Getting To Know PEMT. SDC, Evaluation Section, 1996
- (5) Monitoring-Keeping in Touch with Reality. SDC, 1997.

CONTACTS

SDC: Head, Division Environment, Forests, Energy, SDC, Eigerstrasse 73, 3003 Bern, Switzerland.

FOFEA: Head, Investment Promotion and Mixed Financing Section; Head, Trade, Policy and Development Section, Development Policy Division, FOFEA, Effingerstr.1, 3003 Bern, Switzerland.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

UNITED KINGDOM

(Legal/Policy Base)

OVERVIEW

In the United Kingdom (UK), development assistance is the responsibility of the Department for International Development (DFID), formerly the Overseas Development Administration (ODA). The UK does not have environmental assessment legislation but is bound by the Directives of the European Community. As reflected in a number of strategic and policy documents, DFID is committed to following sustainable development principles in its development assistance programme and to ensuring that all development assistance policies, programmes and projects are environmentally acceptable.

LEGAL/POLICY BASE

The United Kingdom does not have specific environmental assessment legislation. However, as a member of the European Community (EC) it adheres to the EC Directive No. 85/337 (1985) concerning the environmental assessment of certain public and private projects significantly affecting the environment. The UK has implemented the requirements of the Directive internally, but it does not specifically apply to development assistance programmes.

POLICY CONTEXT FOR DEVELOPMENT AID

Responsibility: The UK's development assistance programme is the responsibility of the Department for International Development (DFID).

Policy Goal: The basic aim of the UK's development assistance programme is the elimination of poverty through sustainable development by assisting developing countries in long-term, environmentally sound economic and social progress.

Priorities:

- poverty elimination;
- health and population;
- environmental protection;
- humanitarian assistance;
- good government.

Sustainable Development: In 1990, the UK reinforced its commitment to the principles of the Brundtland Report in *This Common Inheritance: Britain's Environmental Strategy*, which details more than 350 commitments for action in a wide range of areas, including assistance to developing countries. In 1992, the ODA (now DFID) published *Action for the Environment* which outlines the manner in which the principles of sustainable development are being incorporated into the UK's development assistance programme, including a section on assessing environmental impacts. Current UK Government policies on international sustainable development, including commitments to assist developing countries in implementing National Strategies for Sustainable Development are set out in the 1997 DFID White Paper, *Eliminating World Poverty: A Challenge for the 21st Century*.

DEVELOPMENT ASSISTANCE POLICY AND THE ENVIRONMENT

General Principles:

- All DFID officials are required to ensure that all DFID-funded policies, programmes and projects are environmentally acceptable, and where appropriate promote capacity building in environmental management.
- All proposals for new projects must be subject to an initial environmental screening and address any environmental issues identified.
- Environmental factors should be taken into account throughout all stages of the project cycle.

- Primary responsibility for taking account of the environment rests with those designing, appraising, implementing and monitoring projects.
- Environmental standards set by developing countries are regarded as a minimum for DFID-funded projects; where there is no local legislation covering standards, DFID and the recipient country should decide on which standards to apply, including consideration of UK/EC standards.
- All DFID projects should take account of international legal instruments to which the UK is party.
- Environmental factors are part of a multidisciplinary appraisal which addresses economic, social, ecological, legal and technical issues.
- Where DFID co-operate with other partners in a project, DFID retains a responsibility for ensuring that these factors receive due weight.
- If environmental or social concerns are likely to be dealt with inadequately, DFID should reject the project.
- DFID considers that institutional building and capacity strengthening may be part of project environmental conditions.

KEY REFERENCE DOCUMENTS

- (1) *This Common Inheritance: A Summary of the White Paper on the Environment*, HMSO, 1990.
- (2) *Action for the Environment*, ODA, May 1992.
- (3) *Eliminating World Poverty: A Challenge for the 21st Century*, HMSO, November 1997

CONTACT

Environment Policy Department, Department for International Development, 94 Victoria Street. London SW1E 5JL, United Kingdom.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

UNITED KINGDOM (Procedural Requirements)

OVERVIEW

In 1996 the Overseas Development Administration (ODA) - now the Department for International Development (DFID) - released the revised *Manual of Environmental Appraisal* which provides guidance to DFID officials on incorporating environmental issues into the project cycle. It poses strategic question, the answers to which determine the level of environmental assessment required - Initial Screening, Environmental Analysis or Environmental Impact Assessment or Environmental Audit. It also includes background information on ecological and economic impacts and sectoral appraisal guidelines.

GENERAL REQUIREMENTS

Procedures: The revised *Manual of Environmental Appraisal* published in July 1996, provides operational direction to DFID officials for addressing environmental issues in the project cycle. It also includes general background information on ecological and economic impacts and specific environmental appraisal guidelines and checklists for six development assistance sectors. It is currently in the process of being updated and reformatted, and a revised version will be published in 1998.

Initial Screening

Initial Screening (IS) is the simplest level of assessment and is used to register environmental "danger signals" and potential environmental benefits. It can help to avoid unnecessary studies where impacts are likely to be minimal. Four questions must be answered:

- What kind of area is involved?
- What is the development proposed?
- How could it affect the environment?
- How serious could the impacts be?

To assist in answering these questions, the Manual provides checklists on *i)* sensitive areas, *ii)* significant types of projects, *iii)* repercussions or development and *iv)* serious impacts. In general, if the proposal "scores" under any of the significant impacts in the checklists, further reference to expert opinion is required. The IS can lead to project rejection, project clearance, further Environmental Analysis (EA), or an Environmental Impact Assessment (EIA). In some cases, an Environmental Audit may be appropriate.

Environmental Analysis

Environmental Analysis (EA) is carried out by advisors when the results of the IS indicate cause for concern, but where there is no immediate need to proceed to an EIA. The EA should address sensitive issues, main impacts, significance of impacts, possible mitigation, technical viability and overall appraisal. Since an EA is project-specific, the sectoral guidelines in the Manual are important reference sources. Sectoral guidelines are available for *i)* natural resources, *ii)* infrastructure and public works, *iii)* settlements and urban development, *iv)* industry and mining and *v)* tourism.

Scoping

- Considered to be "the first task of any EIA study team", scoping should identify the most important consequences of the proposal at an early stage to avoid future delay and additional cost. The aim is to identify the most important issues, the timing and extent of the analysis required, the source of expertise and data.
- Techniques for scoping and consultation with the affected people are covered briefly in the Manual (section on Rapid Appraisal).

Detailed Assessment

The Environmental Impact Assessment study should:

- consider the "no project" option among alternatives;
- consider the type and distribution of environmental effects;
- distinguish direct from indirect effects in space and time;
- assess the importance of environmental effects, including uncertainty, risk and trade-offs;
- consider controls and mitigation measures; and,
- state the degree of confidence associated with the assessment.

FOLLOW-UP ACTIVITIES

Environmental monitoring and management plans and ex-post analysis are employed as key mechanisms to trace the physical and social changes arising from project implementation and to ensure that mitigation works. Such activities are also regarded as important mechanisms for supporting capacity building in environmental management in partner countries.

KEY REFERENCE DOCUMENT

Manual of Environmental Appraisal. Overseas Development Administration, revised July 1996.

CONTACT

Environment Policy Department, DFID, 94 Victoria Street, London SW1E 5JL, United Kingdom.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

UNITED STATES (Legal/Policy Base)

OVERVIEW

The National Environmental Policy Act (NEPA), which came into effect on January 1, 1970, requires all agencies of the United States Government to integrate environmental factors into their decision making processes, including the United States Agency for International Development (USAID). Federal Regulations have been issued which clarify the application of NEPA to the activities of USAID, including environmental assessment procedures for development assistance projects in developing countries.

NATIONAL LEGISLATION

ACT: The National Environmental Policy Act of 1969 (NEPA), which came into effect in January 1970.

RESPONSIBLE AUTHORITY: The Council on Environmental Quality (CEQ), in the Executive Office of the President, which was established under the provisions of the Act.

APPLICATION: To the fullest extent possible, the policies, regulations and public laws of the United States are to be interpreted and administered in accordance with the provisions of the Act. The Act applies to all actions of agencies of the Federal Government.

OBJECTIVE: The purposes of the Act are general in nature. Federal Government agencies are directed to use all practicable means and measures, including financial and technical assistance, to create and maintain conditions under which man and nature can exist in productive harmony. The Act also refers to the promotion of "efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man".

MAIN PROVISIONS: The Act requires all agencies of the Federal Government to "ensure that presently unquantified environmental amenities and values may be given appropriate consideration in decision making along with economic and technical considerations". The key clause is Section 102 (c) which requires all agencies of the Federal Government to include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on:

- i) the environmental impact of the proposed action;
- ii) any adverse environmental effects which cannot be avoided should the proposal be implemented;
- iii) alternatives to the proposed action;
- iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity; and,
- v) *any* irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

APPLICATION OF LEGISLATION TO DEVELOPMENT CO-OPERATION

The application of the Act to development co-operation activities is unclear in NEPA and has never been completely resolved. An out-of-court settlement in 1975 required USAID to develop and implement specific environmental review procedures to implement the intent of NEPA. The Act applies directly to USAID activities that impact on the United States or the global commons. More general guidance was provided by Executive Order 12114, issued in January, 1979, entitled Environmental Effects Abroad of Major Federal Actions. The Order directs all Federal agencies taking major Federal actions having significant effects on the environment outside the United States to establish procedures whereby environmental impact statements, studies or reviews are prepared for the following actions:

- major Federal actions significantly affecting the environment of the global commons;
- major Federal actions significantly affecting the environment of a nation not otherwise involved in the action;
- major Federal actions significantly affecting the environment of a foreign nation which provides to that nation products, emissions or effluents (including radioactive substances) which are prohibited or strictly regulated in the United States due to their risk to public health; and,
- major Federal actions outside the United States which significantly affect natural or ecological resources designated to be of global importance.

The Act allows for exemptions as determined by USAID. In 1980 USAID modified and improved its procedures as Title 22 of the Code of Federal Regulations, Part 216.

KEY REFERENCE DOCUMENTS

- (1) The National Environmental Policy Act of 1970, as amended (42 USC 4371 *et seq.*) (NEPA).
- (2) Executive Order 12114, Environmental Effects Abroad of Major Federal Actions, January 4 1979.

CONTACT

Environmental Co-ordinator, USAID, Department of State, Washington, D.C., USA.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

UNITED STATES (Procedural Requirements)

OVERVIEW

Under the authority of the Foreign Assistance Act of 1961, USAID has developed *Environmental Procedures* to ensure that environmental factors and values are integrated into the Agency's decision-making process. The Procedures, considered to have the force of Federal Regulations, implement the intent and requirements of NEPA, Executive Order 12114, the 1975 out-of-court settlement on foreign use of pesticides, and the majority of relevant NEPA Regulations issued by the Council on Environmental Quality (CEQ).

GENERAL PROCEDURES

Policy: The objectives of the Procedures are to ensure that environmental consequences of USAID-funded activities are considered by the Agency and the host country prior to making final decisions, and to assist developing countries to strengthen their environmental management capabilities.

Application: Other than listed exemptions, e.g. related to national security reasons, the Procedures apply to all new projects, programmes and activities authorized by USAID.

Key Definitions:

Environment - The term environment, as used in the Procedures with respect to effects occurring outside the United States, means the natural and physical environment.

Environmental Assessment (EA) - A detailed study of the reasonably foreseeable significant adverse effects, of a proposed action on the environment of a foreign country.

Environmental Impact Statement (EIS) - A detailed study of the reasonably foreseeable environmental impacts, both positive and negative, of a proposed USAID action, and its reasonable alternatives; a specific document having a definite format and content conforming to NEPA.

Initial Environmental Examination (IEE) - The first review of reasonably foreseeable environmental effects in order to make a Threshold Decision as to whether an EA or an EIS will be required for every programme, project, activity or substantive amendment.

Threshold Decision - A formal Agency decision which determines, based on the IEE, whether a proposed action is a major action significantly affecting the environment.

SCREENING CRITERIA

There are no environmental screening procedures *per se* since, in principle, IEEs are required for all non-exempted activities. However, criteria are given for determining classes of projects for which an IEE, EA or EIS are not normally required, e.g., research projects and institutional strengthening. Activities may also be exempted if USAID has (a) prepared a substantial number of EAs or EISs for similar projects or (b) prepared a Programmatic Assessment or Statement covering the activity in question. There is also a list of classes of actions generally considered to have significant environmental effects and for which an EA or EIS is normally required, eg. river basin planning, water management schemes, resettlement and industrial plants.

SCOPING

Using the IEE, the responsible USAID Bureau Environmental Officer (BEO) makes a negative or positive Threshold Decision. For a positive Decision, scoping is used to identify issues to be addressed in the EA or EIS. This can include consultations with experts, host country officials, public and private institutions, USAID Mission staff, and contractors. The resulting scoping report may be circulated for comment among federal agencies before approval by the responsible BEO.

ENVIRONMENTAL ASSESSMENTS

An EA should provide USAID and host country decision makers with a full discussion of the environmental effects of a proposed action, including alternatives. USAID will normally encourage collaboration with the host country in data collection and analyses as a means of building technical and institutional capacity. If the effects of an activity extend beyond the host country, the relevant parties are encouraged to negotiate an acceptable accommodation.

If an EIS is required, the form, content and review procedures (including public hearings) as laid down in NEPA and CEQ Regulations apply. Public consultation, including host country, is provided for by Regulations (22 CFR, 216.6 and 216.8).

FOLLOW-UP ACTIVITIES

Projects and programmes for which EAs or EISs have been prepared are designed to include environmental monitoring and evaluation. USAID co-operates with the host country in the design and operation of environmental monitoring systems.

KEY REFERENCE DOCUMENTS

Environmental Procedures, USAID Handbook, Title 22 of the Code of Federal Regulations, Part 216.

CONTACT

Agency Environmental Co-ordinator, USAID, Department of State, Washington, D.C., USA.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

AFRICAN DEVELOPMENT BANK

(Legal/Policy Base)

OVERVIEW

In June 1990, the Boards of Directors of the African Development Bank Group approved the Environment Policy Paper outlining the general and specific environmental policies that have to be taken into account in the lending programmes and projects. To facilitate the translation of these policies into action, environmental guidelines for each sector or sub-sector were considered essential. In April 1991, the Bank initiated action for the preparation of environmental assessment guidelines and environmental procedures. The environmental assessment guidelines are meant for incorporation in the environmental evaluation process at every stage of the project cycle. Methods to assess expected environmental impacts are combined with administrative procedures so that the results of the environmental assessment would become an integral part of project planning and decision-making. In line with the Bank's continuous efforts to improve the quality of Bank Group Projects, the Boards of Directors decided on 19 February 1996 to establish an Environment and Sustainable Development Unit (OESU) with a view to providing an effective focal point in the Bank for addressing the cross-cutting themes of environment, poverty reduction, gender, population, institutional development, and stakeholders' participation into development strategies, programmes and projects.

OBJECTIVES OF ENVIRONMENTAL ASSESSMENT GUIDELINES

The overall objective of the environmental assessment guidelines is to integrate an assessment process of environmental issues into ADB Group development projects and programmes. This would ensure that the Bank Group is financing sustainable development in Regional Member Countries (RMCs), which combines economic growth with poverty reduction and the protection of the environment. The technical environmental guidelines and assessment procedures envisage:

- to serve as a working tool for Bank staff and officials of RMCs to assess environmental impacts of lending programmes and projects.
- to introduce a step-wise approach for environmental screening of projects and ensure that this is carried out in conformity with the project cycle.
- to ensure that during the various stages of the project cycle, and in the related documents, due attention is paid to the environmental aspects.
- to provide a better understanding of the mitigative measures required for a given environmental issue.

The key to sound environmental management and sustained development is the use of procedures to assess the environmental impacts of the Bank's lending programmes and projects. Environmental assessment procedures are needed in any organisation whose activities impinge on the environment.

As for procedures supporting the application of technical environmental assessment guidelines, their objectives are:

- to ensure the application of technical guidelines in all relevant stages of the project cycle.
- to streamline the use of the technical guidelines in departments responsible for the implementation of projects and programmes.

ENVIRONMENTAL ASSESSMENT IN THE PROJECT CYCLE

The Environmental Assessment Guidelines were conceived with the following to fundamental premises in mind, after consultation with the relevant Bank staff:

- environmental assessment procedures should be linked as much as possible with existing procedures in the Bank Group, and should take into account initiatives which are to be developed in the near future; and

- environmental officers will categorise projects in the identification phase, thus identifying further action to be taken at the earliest stage. These officers should be able to appraise environmental aspects with the aid of the technical guidelines and the use of their own expertise.

The analysis of environmental impacts is a dynamic process that must be initiated at the earliest stage of a proposed development activity. Information on environmental impacts which may be caused by a project, must be incorporated in the project cycle and evaluated regularly during the implementation phase. Various stages in environmental consideration of the project cycle are briefly discussed.

ENVIRONMENTAL SCREENING

Environmental screening is carried out during project identification. Screening by means of Initial Environmental Examination (IEE) is an early warning system to help identify those projects which need further attention due to their impacts on the environment. While some projects will require an Environmental Impact Assessment Study, others may have impacts which can easily be diminished or abolished by applying mitigative measures or changing the project design to some extent. The result of environmental screening is included in the Project Brief as "Environmental Issues".

ENVIRONMENTAL IMPACT ASSESSMENT (EIA) STUDY

Environmental Impact Assessment is a tool for the evaluation and analysis of projects on their environmental impacts. It provides the organised transfer of relevant information to the appropriate decision-makers. The systematic description and quantification of environmental impacts improves the cost-benefit analysis of the proposed project. If a Bank project requires a full-scale Environmental Impact Assessment, the EIA is usually executed by a team of experts especially selected for this task by the government and approved by the Bank. The present guidelines provide the ADB Group staff with the information necessary to prepare Terms of reference (TOR) for an EIA study of a particular type of project. However, the TOR will have to be specific not only for the kind of project activities that are proposed, but also for the area in which the project is implemented. The EIA required by the Bank must give all parties concerned an opportunity to contribute to the project preparation and design. The EIA is a participatory process, and as such it is particularly important that the priorities and concerns of the local population are taken into consideration. This can be achieved most effectively by working in close consultation with NGOs and local institutions at all stages of the project cycle.

ENVIRONMENTAL MANAGEMENT

The next step for the ADB Group is not only to prevent environmental damage (through screening and EIA), but to plan for an improvement in environmental quality by proposing environmental management plans. One objective of the Bank Group environmental policy is to foster the sustainability of natural resources to meet long-term needs. In order to attain this objective, the Bank is presently assisting Member States in the preparation of National Environmental Action Plans (NEAPs).

ENVIRONMENTAL MONITORING

The Bank Group requires monitoring in its Environmental Guidelines so as to guarantee that the planned mitigative measures incorporated in the project design are adequately implemented; to ensure that legal standards for pollutants are not exceeded; and to provide early warning of environmental damage, so that actions may be taken to reduce harmful impacts on the environment.

ENVIRONMENTAL AUDITING

After project completion, the actual impacts of project operations, the effectiveness of the mitigative measures and the functioning of the established monitoring programme are determined and evaluated by the Bank's Operations Department (OPEV). OPEV carries out a post-evaluation assessment (audit) of those projects with major negative aspects (Category I projects). This kind of auditing assesses possible changes in the environment as a result of project implementation. The comparison thereafter of actual and

predicted impacts provides information on the effectiveness of the environmental impact assessment executed before implementation of the project.

KEY REFERENCE DOCUMENTS

- (1) Environmental Policy Paper - African Development Bank, Abidjan, Cote d'Ivoire, 01 B.P. 1387.
- (2) Environmental Guidelines - African Development Bank, Abidjan, Cote d'Ivoire, 01 B.P. 1387.

CONTACT

Head, Environment and Sustainable Development Unit (OESU), African Development Bank, 01. B.P. 1387, Abidjan 01, Cote d'Ivoire.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

ASIAN DEVELOPMENT BANK

OVERVIEW

In the late eighties, the Asian Development Bank (ADB) developed its environmental assessment requirements and review procedures. These provisions were later published in 1993 in a document titled, "The Environmental Assessment Requirements and Environmental Review Procedures of the Asian Development Bank" and updated in its 1998 publication titled, Environmental Assessment Requirements of the Asian Development Bank". The major purpose of this publication is to provide guidance to staff of the Bank and its developing member countries (DMC) in complying with the Bank's requirements and procedures.

GUIDELINES

ADB's EIA brochure facilitates compliance of the Bank's environmental assessment requirements for its various investment operations, namely: project, program, and sector loans, and loans involving financial intermediaries and various other funding modalities in the private sector. The responsibilities of the stakeholders in preparing the environmental assessment reports are also described. The document also includes, as appendixes, various typical annotated formats of environmental assessment reports.

SCREENING

The Bank, through the Environment Division (ENVD) under the Office of Environment and Social Development (OESD), brings to bear environmental considerations on Bank activities at different planning levels. Environmental considerations are integrated at the country, region (within a country), sector, and project levels using different approaches and techniques. Projects are categorised according to its type, location, sensitivity, scale, nature and magnitude of its potential environmental impacts, and availability of cost-effective mitigation measures. Projects thus screened for their expected environmental impact are assigned to one of the following three categories:

- Category A: Projects expected to have significant adverse environmental impacts. An environmental impact assessment (EIA) is required to address significant impacts.
- Category B: Projects judged to have some adverse environmental impacts, but of lesser degree and/or significance than those for category A projects. An initial environmental examination (IEE) is required to determine whether or not significant environmental impacts warranting an EIA are likely. If an EIA is not needed, the IEE is regarded as the final environmental assessment report.
- Category C: Projects unlikely to have adverse environmental impacts. No EIA or IEE is required, although environmental implications are still reviewed.

INITIAL/FULL ASSESSMENT

The scoping process is undertaken during the processing of a project preparatory technical assistance based on which the terms of reference for the environmental study is formulated. An IEE is usually recommended for category B projects. In cases where a more in-depth study is needed, an environmental impact assessment is undertaken for the project. On the other hand, an EIA is usually recommended for category A projects. For all projects under environment category A, and for selected projects under environment category B which would benefit from external review (even if a detailed EIA is not warranted), the summary IEE (SIEE) or summary EIA (SEIA) prepared by the borrower is submitted to the Bank's Board of Directors at least 120 days before it considers the project. In addition to the SIEE/SEIA, the original IEE or the EIA will be made available to Board members upon request. The SIEE or SEIA and the IEE or EIA, if requested, may also be made available by the Bank to locally affected groups and non-government organisations (NGOs) through the Executive Director of the DMC concerned on the Board, or through the Bank's Depository Library Program, except where confidentiality rules would be violated. In such cases, information is released to those permitted by the classification to receive the document. These arrangements apply to projects from both the public and private sectors.

FOLLOW-UP ACTIVITIES

Review missions may be dispatched periodically to monitor implementation of environmental mitigation measures earlier agreed upon between the borrower and the Bank. Review missions verify if environmental safeguards built into the project design are satisfactorily implemented by the borrower/executing agency during the construction and operation of the project. After the completion phase of the project, the effectiveness of environmental enhancement and mitigation measures are evaluated.

CONTACT

Environment Division, Office of Environment and Social Development, P.O. Box 789, Manila, Philippines, 1099.

SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

CARIBBEAN DEVELOPMENT BANK

OVERVIEW

In 1993, the Caribbean Development Bank's Board of Directors approved and adopted a revised environmental policy statement. The policy provides guidance on integrating environmental considerations in all aspects of the Bank's operations. In October 1995 "Environmental Review Guidelines" were approved as part of internal staff operational procedures.

ENVIRONMENTAL POLICY OBJECTIVES

The main objectives of the environment policy are:

- integrating environmental, social and economic concerns in all aspects of CDB's operations to ensure that investment projects and macro-economic policies are environmentally sound;
- assisting with the development of national policies and strengthening the capacities of institutions and the skilled human resource base concerned with environmental and natural resource management in the borrowing member countries;
- mobilising financial resources and financing on concessionary terms wherever possible, cost effective projects which directly provide substantial environmental benefits; and
- promoting collaboration and co-ordination at the regional and sub-regional levels among borrowing member countries and among the regional and international agencies active in the borrowing member countries, to harmonize activities, in working towards achieving common environmental objectives.

ENVIRONMENTAL REVIEW GUIDELINES

The Environmental Review Guidelines provide environmental review procedures required for all aspects of the Bank's operations and are an integral part of the Bank's operational procedures manual. The document includes the following:

- Environmental requirements for country economic policy work.
- Environmental assessment requirements throughout the project cycle.
- Environmental screening and classification categories and associated illustrative list of projects.
- Compliance requirements for private sector lending, financial intermediary lending and for projects to be co-financed with other development institutions.
- An overview of special environmental concerns in the Bank's borrowing member countries.
- Sample formats for environmental screening memorandum, initial environmental evaluation, environmental impact assessment summary and environmental audit reports.

ENVIRONMENTAL CLASSIFICATION

The "Guidelines" require environmental screening for all project types. Screening is carried out by environment staff at the identification stage. Projects may be categorised "A", "B" or "C".

Category "A": projects with potentially diverse and significant negative environmental or social impacts for which a detailed environmental impact assessment study is required.

Category "B": limited potentially negative environmental impacts for which mitigation measures may be pre-determined based on acceptable performance standards or design criteria.

Category "C": environmental impact assessment is not normally required.

ENVIRONMENTAL ASSESSMENT REQUIREMENTS AND THE PROJECT CYCLE

Environment staff screen and categorise the project as "A" "B" or "C" and notify the project co-ordinator in an Environmental Screening Memorandum.

This is a tentative classification and will therefore indicate to the project co-ordinator the environmental information required from the client before a firm category is assigned. Once the degree of environmental analysis has been determined by environment staff for integration with the wider project feasibility study, CDB may provide assistance to the client with scoping and/or the preparation of terms of reference for detailed environmental impact assessment study and any other related studies.

Environment staff are included as members of the project appraisal team. The appraisal process requires that they visit the project site, hold discussions with clients, relevant institutions, regulatory authorities and other interested parties. The information submitted by the client is therefore evaluated for acceptability to the Bank and concurrence with the clients national environmental policy and legislative requirements.

For Category "A" projects, a detailed environmental summary (ES) of the environmental impact assessment report must be prepared and submitted as an appendix to the staff appraisal report. The staff appraisal report is subjected to a three step internal review process prior to presentation to the Board of Directors for approval. For Category "B" projects, an initial environmental evaluation report is prepared by environment staff based on the information provided by the client and from the wider appraisal process. This is then integrated in the staff appraisal report presented to the Board of Directors. For Category "C" projects, information from the environmental screening memorandum (ESM) is included in the staff appraisal report.

Mitigation measures and environmental action plans for the project, where necessary, are reflected in the Loan Agreement, the Terms and Conditions of which are negotiated and agreed with the client. Implementation of mitigation measures, environmental action plans and other environmental conditions of the Loan Agreement are monitored for compliance by the project supervisor. The Post Implementation Evaluation Unit reports on effectiveness and sustainability of environmental mitigation measures and monitoring programmes.

REFERENCE DOCUMENTS

- (1) Environment Policy, October, 1993.
- (2) Environmental Review Guidelines, February, 1995.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

INTER-AMERICAN DEVELOPMENT BANK

OVERVIEW

The Bank's Environmental Policy (1979) requires that all operations financed by the Bank be environmentally and socially sustainable. The Procedures of the Committee on Environment and Social Impact (hereinafter referred to as the "CESI Procedures") are designed to implement these mandates in a manner that is consistent with relevant Bank policies and guidelines, the organisational structure of the Bank, and the demands of its programming and project preparation cycles. The CESI Procedures are applicable to all Bank operations, such as sector loans, investment loans (global, time-slice or specific), technical co-operation, small projects, Multilateral Investment Fund (MIF) operations, private sector operations, and any major reformulation of those operations.

OBJECTIVES

The objective of the CESI Procedures is to enhance the quality of Bank operations, by:

- promoting cost-effective integration of environmental and social impact considerations into the design of the Bank's operational strategy at the national and regional levels
- minimising negative environmental and social impacts, and enhancing future opportunities and options to promote positive impacts, in all phases of Bank operations
- providing relevant information to enable Bank decision-makers to effectively evaluate environmental quality and social impact factors in project analysis and approval
- ensuring that the Bank's analysis and decision-making processes regarding environmental and social impact are transparent and participatory. This entails: i) ensuring the quality of relevant documentation, and ii) promoting the dissemination of accurate and timely information to, and consultation with, local communities and groups affected by Bank-supported actions in order to allow their effective participation in the decision-making process

PROCEDURES

In discharging its responsibilities, the CESI relies on three key Bank documents: (i) when available, the IDB country environmental strategy (CES); (ii) the Environmental and Social Impact Brief (ESIB); and (iii) when required, the Environmental and Social Impact Report (ESIR). The CESI may also consider other Bank documents for purposes of its review, especially to facilitate operations processing.

A. Program and Strategy Stage: Preparation of the CES

As part of their strategic planning and country programming processes, Regional Operations Departments are encouraged to assess the environmental situation in each borrowing member country and prepare a country environmental strategy (CES). This strategy outlines the Bank's approach to the environmental issues which are most important for the country's development strategy. When appropriate this analysis may also include assessments and proposals regarding the situation of social groups or communities who are particularly vulnerable to alterations in their environment. This strategic approach is intended to enrich the policy dialogue with the country and to facilitate the consideration and approval of the environmental aspects of specific operations included in the country program.

Steps:

- (1) Following preparation by a Regional Operations Department, the CES may be presented to the CESI for information, discussion and input.
- (2) CES documents considered by the CESI will then be utilised as the general framework to facilitate CESI consideration of individual operations in that country.

B. Scoping Stage: Preparation, Review and Approval of ESIB

The Project Team must determine the scope of environmental quality and social impact issues, inclusive of gender considerations. Based on this preliminary determination, the Team proposes preparation requirements, identifies required expertise and applicable processing procedures. The centrepiece of the scoping process is the Environmental and Social Impact Brief (ESIB). The ESIB, once approved by the CESI, establishes the environmental assessment requirements for preparing the operation and identifies the environmental quality and social impact issues that must be resolved to ensure that the operation is viable and eligible for Bank support.

Steps:

- (1) The Project Team prepares the ESIB, which is transmitted by the responsible Division Chief to the CESI.
- (2) The CESI reviews and discusses the information and recommendations contained in the ESIB and issues minutes containing two parts: i) a first part indicating whether the ESIB was approved and noting relevant findings (i.e. correction of facts or data) and comments (i.e. broader issues for consideration by other Bank units); and (ii) a second part containing the "environmental quality and social impact issues and proposed actions" as amended and approved by the CESI.
- (3) The ESIB is made available to the public in accordance with the Banks Policy on Disclosure of Information.
- (4) The Project Team must submit an updated ESIB to the CESI whenever the design of an operation is substantially modified or the conditions surrounding it are fundamentally altered. The CESI may request an update or re-evaluation of an approved ESIB when presented with new information which may substantially alter the recommendations initially established by the CESI.

C. Evaluation Stage: Preparation of Impact Assessment and Other Studies

The objectives of the environmental impact assessment (EIA) are: (i) to identify the positive and/or negative alterations of the human and natural environment which may affect the quality of life as well as present and future options for sustainable social and economic development in the operation's area of influence; (ii) to identify preventive or mitigatory measures to minimise the negative impacts and enhance the positive impacts of project design alternatives; (iii) to determine whether the proposed operation is the optimal or at least a viable solution to the development needs it addresses after the costs and benefits of impacts, mitigated or not, are internalised, and (iv) after comparing the alternatives, including that of no action, to recommend a course of action including preventive or mitigatory measures.

Steps:

- (1) Upon approval of the ESIB, the Project Team Leader informs the potential borrower of the Bank's environmental quality and social impact management requirements. This includes, among other things, informing the borrower of the minimum requirements to be met by the impact assessment process and of the possible scope of measures and conditionality to be included in the operation with respect to environmental quality and social impact. A key task at this stage is to assist the borrower in finalising the terms of reference of the environmental and/or social impact studies ensuring that they address the issues identified in the scoping process.
- (2) The Project Team ensures that the necessary resources and expertise are employed to attain quality results. This means assisting the borrower in their hiring of consultants, mobilising in-house expertise when necessary, drafting and reviewing terms of reference, commenting on preliminary studies and drafts, and taking any other required action to ensure the operation's environmental and social viability in accordance with Bank requirements. A key task in preparation of the analysis mission is the incorporation of requirements concerning environmental quality and social impact issues in the mission's Terms of Reference.
- (3) The Bank expects borrowers to consult affected communities and other local parties having a legitimate direct interest in an operation. The Bank requires that borrowers: (i) employ reasonable consultation procedures to elicit the informed opinion of concerned local groups, and take their views into account during project preparation and implementation, especially during the scoping and draft phases of an impact assessment; and (ii) provide evidence of compliance with national

legislation, regulations and administrative procedures regarding public consultation. The methodology and results of consultations, and the manner in which those results are taken into account, as well as provisions for community participation during project implementation, when applicable, must be documented in impact assessments, and summarised in Environmental and Social Impact Reports.

- (4) The Project Team ensures that impact assessments, including EIAs and other studies are completed to the Bank's satisfaction, and in accordance with the terms of reference agreed upon between the Bank and the borrower. In accordance with the Bank's Policy on Disclosure of Information, the Project Team also verifies that the final draft of the impact assessment is made available locally prior to the analysis mission, and once officially submitted to the Bank, is made directly available to the public.

D. Analysis Stage: Preparation, Review and Approval of the ESIR

The Project Team evaluates all relevant information prepared and received during project preparation, assesses the environmental and social feasibility of the operation, and determines the environmental quality and social impact management components and conditionality to be applied. This analysis is summarised in the Environmental and Social Impact Report (ESIR). For operations under US\$ 3,000,000 the CESI will review drafts of the Plan of Operations, Donor's Memorandum, Project Report or equivalent which will include any necessary environmental or social considerations identified at the scoping stage. The ESIR establishes the environmental quality and social impact management conditions that must be included in each operation, and identifies the incentive, enforcement and monitoring mechanisms to be employed to ensure their implementation.

Steps:

- (1) The Project Team prepares the ESIR and the responsible Division Chief transmits it to the CESI for review and approval, prior to the distribution of the project proposal package to the Loan Committee.
- (2) The CESI reviews and, if necessary, discusses the ESIR and issues minutes setting forth its findings and recommendations. As in the case of ESIB's, the minutes contain two parts: (i) the first states whether the CESI approved the ESIR along with relevant findings or comments; and (ii) the second contains the "environmental and social feasibility statement" as prepared by the Project Team and amended and approved by the CESI.
- (3) The full text of the environmental and social feasibility statement is included in the project proposal to be distributed to the Loan Committee. The draft loan contract reflects the environmental quality and social impact management measures recommended in the approved ESIR.
- (4) Once approved, the full ESIR, including the amendments made by the CESI, will also be made available to the public in accordance with the Bank's Policy on Disclosure of Information.

F. Approval Phase: Negotiations, Amendments and Documentation

If requests for modifications to the environmental quality and social impact management components or conditions of an operation arise during negotiations or prior to final approval by the Board of Executive Directors, the Project Team notifies the Chairperson of the CFESI of the proposed changes. By delegation of the CESI, the Chairperson may approve the modifications and inform the CESI or submit the issue for reconsideration by the CESI. The Project Team subsequently amends the final versions of the loan document and contract to reflect approved changes.

G. Execution Phase: Follow-up

For operations which include environmental quality and social impact management components or conditions, the regular project reporting mechanism (Project Progress and Monitoring Report or PPMR) will contain specific information regarding implementation of, and compliance with, these aspects of the operation. For this purpose and in accordance with the respective environmental and social feasibility statements the Project Team must incorporate the corresponding environmental quality and social impact management elements into the objectives, components, performance indicators and/or assumptions summarised in the logical framework for the operation.

H. Evaluation Phase: Feedback on Environmental and Social Measures

In accordance with the CESI guidelines and criteria set forth in the ESIR, the Project Completion Report must address environmental quality and social impact issues. In order to obtain feedback as to the effectiveness of Bank policies, procedures and contractual requirements related to environmental quality and social impact management the CESI in co-ordination with appropriate Bank units, may consider and elaborate upon the results of Progress, Project Completion and Ex-Post Evaluation Reports. Based on information obtained from the feedback and evaluation process, the CESI may modify procedures or guidelines regarding environmental quality and social impact management recommendations for future operations.

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)
INTERNATIONAL DEVELOPMENT AGENCY (IDA)
(THE WORLD BANK)
(Legal/Policy Base)

OVERVIEW

In 1989, the World Bank adopted Operational Directive (OD) 4.00, *Annex A: Environmental Assessment* and EA became standard procedure for Bank-financed investment projects. The Directive was amended as OD 4.01 in 1991 and is currently being converted to Operational Policy OP, BP and GP 4.01: Environmental Assessment.

BACKGROUND AND POLICY FRAMEWORK

- (1) The Bank requires environmental assessment (EA) of projects proposed for Bank financing to help ensure that they are environmentally sound and sustainable, and thus to improve decision making.
- (2) EA considers natural and social aspects in an integrated way. It also takes into account the variations in project and country conditions; the findings of country environmental studies; national environmental action plans; the country's overall policy framework, national legislation, and institutional capabilities related to the environment; and obligations of the country, pertaining to project activities, under relevant international environmental treaties and agreements. The Bank does not finance project activities that would contravene such country obligations, as identified during the EA.
- (3) The borrower is responsible for carrying out the EA.
- (4) The Bank advises the borrower on the Bank's EA requirements. The Bank reviews the findings and recommendations of the EA to determine whether they provide an adequate basis for processing the project for Bank financing. When the borrower has completed or partially completed EA work prior to the Bank's involvement in a project, the Bank reviews the EA to ensure its consistency with this policy. The Bank may, if appropriate, require additional EA work, including public consultation and disclosure.
- (5) The *Pollution Prevention and Abatement Handbook* (www-esd.worldbank.org/pollution/) describes pollution prevention and abatement measures and emission levels that are normally acceptable to the Bank. However, taking into account borrower country legislation and local conditions, the EA may recommend alternative emission levels and approaches to pollution prevention and abatement for the project. The EA report must provide full and detailed justification for the levels and approaches chosen for the particular project or site.
- (6) Depending on the project, a range of instruments can be used to satisfy the Bank's EA requirement: environmental impact assessment (EIA), regional or sectoral EA, environmental audit, hazard or risk assessment, and environmental management plan (EMP).
- (7) The Bank undertakes environmental screening of each proposed project to determine the appropriate extent and type of EA. The Bank classifies the proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.
 - (a) *Category A*: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.
 - (b) *Category B*: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas -- including wetlands, forests, grasslands, and other natural habitats -- are less adverse than those of Category A projects.
 - (c) *Category C*: A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts.
 - (d) *Category FI*: A proposed project is classified as Category FI if it involves investment of Bank funds through a financial intermediary, in sub-projects that may result in environmental impacts.

- (8) When the borrower has inadequate legal or technical capacity to carry out key EA-related functions (such as review of EA, environmental monitoring, inspections, or management of mitigatory measures) for a proposed project, the project includes components to strengthen that capacity.
- (9) For all Category A and B projects proposed for IBRD or IDA financing, during the EA process, the borrower consults project-affected groups and local non-governmental organisations (NGOs) about the project's environmental aspects and takes their views into account. The borrower initiates such consultations as early as possible. For Category A projects, the borrower consults these groups at least twice: (a) shortly after environmental screening and before the terms of reference for the EA are finalised; and (b) once a draft EA report is prepared. In addition, the borrower consults with such groups throughout project implementation as necessary to address EA-related issues that affect them.
- (10) For meaningful consultations between the borrower and project-affected groups and local NGOs on all Category A and B projects, the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted.
- (11) For a Category A project, the borrower provides for the initial consultation a summary of the proposed project's objectives, description, and potential impacts; for consultation after the draft EA report is prepared, the borrower provides a summary of the EA's conclusions. In addition, for a Category A project, the borrower makes the draft EA report available at a public place accessible to project-affected groups and local NGOs. For SILs and FI operations, the borrower/FI ensures that EA reports for Category A sub-projects are made available in a public place accessible to affected groups and local NGOs.
- (12) In addition to the requirement that pursuant to para. 10 above relevant information on Category B EA for projects proposed for IBRD or IDA financing is made available to project affected groups and local NGOs, any separate Category B report for a project proposed for IDA financing is made available to such groups and NGOs. Public availability in the borrowing country and official receipt by the Bank of Category A reports, and any Category B EA report for projects proposed for IDA funding, are prerequisites to Bank appraisal of these projects.
- (13) Once the borrower officially provides a Category A EA report to the Bank, the Bank distributes the summary (in English) to the Executive Directors (EDs) and makes the report available through its InfoShop. Once the borrower officially provides any separate Category B EA report to the Bank, the Bank makes it available through its InfoShop. If the borrower objects to the Bank's releasing an EA report through the World Bank InfoShop, Bank staff (a) do not continue processing an IDA project, or (b) for an IBRD project, submit the issue of further processing to the EDs.
- (14) During project implementation, the borrower reports on (a) compliance with measures agreed with the Bank on the basis of the findings and results of the EA, including implementation of any EMP, as set out in the project document; (b) the status of mitigatory measures; and (c) the findings of monitoring programs. The Bank bases supervision of the project's environmental aspects on the findings and recommendations of the EA, including measures set out in the legal agreements, any EMP, and other project documents.

KEY REFERENCE DOCUMENTS

- (1) Operational Policy 4.01: Environmental Assessment
- (2) EA Sourcebooks, Volumes I and III (1991)
- (3) EA Sourcebook Updates, Nos. 1-22

CONTACT

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SUMMARY OF ENVIRONMENTAL ASSESSMENT POLICIES AND PROCEDURES FOR DEVELOPMENT ASSISTANCE ACTIVITIES

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)
INTERNATIONAL DEVELOPMENT AGENCY (IDA)
(THE WORLD BANK)
(Procedural Requirements)

OVERVIEW

Borrowing countries have full responsibility for the design, preparation, and implementation of individual projects, but the Bank is deeply involved in each of these stages. Once a project has been identified as having a high priority and being able to contribute significantly to the economic development of the country, it undergoes intensive preparation and analysis by the borrower and the Bank to ensure that it is of sound design, is well organised, and measures up to standards of economy and efficiency for implementation.

BACKGROUND

Experience has shown that for an investment to be successful, the project must be owned by the borrower and prepared in partnership with the Bank. How task managers, both on the borrower's and the Bank's side, manage this complex task, develop participatory approaches and integrate the different interests involved in project development will to a great extent determine the positive outcome of the project. The full integration of environmental concerns in the regular operation of a proponent agency requires an understanding of both likely substantive technical issues and project processing procedures for integrating these issues. It also requires recognition that the earlier an EA is undertaken for a proposed project and findings are integrated into project design, the better the overall project result, including the environmental result. Therefore, EA is to be synchronised with the project cycle, from identification through to implementation and evaluation.

Stage 1: Screening

To decide the nature and extent of the EA to be carried out, the process begins with screening at the time a project is identified. In the screening, Bank staff determine the type, location, sensitivity and scale of the proposed project as well as the nature and magnitude of its potential environmental and social impacts, and assign the project to one of the following categories:

Category A: A full EA is required. Category A projects are those expected to have significant impacts that may be sensitive, diverse or unprecedented, with attributes such as direct pollutant discharges large enough to cause degradation of air, water or soil; large-scale physical disturbance of the site and/or surroundings; extraction, consumption, or conversion of substantial amounts of forest and other natural resources; measurable modification of hydrologic cycles, hazardous materials in more than incidental quantities; and involuntary displacement of people and other significant social disturbances. For Category A projects, a field visit by an environment specialist is normally necessary.

Category B: Although a full EA is not required, some environmental analysis is required. Category B projects have impacts which are site-specific, few if any of them are irreversible and in most cases mitigation measures can be designed more readily than for Category A projects. Typical Category B projects entail rehabilitation, maintenance or upgrading rather than new construction.

Category C: Category C projects have no anticipated adverse impacts and no EA or other environmental analysis is required. Typical Category C projects focus on education, family planning, health and human resource development.

Projects with multiple components are classified according to the component with the most significant adverse impacts; if there is a Category A component, the full project is classified as A.

Category FI: A proposed project is classified as Category FI if it involves investment of Bank funds through a financial intermediary in sub-projects that may result in significant environmental impacts.

EA is also required for special project types including sector investment lending, guarantee operations, sector adjustment lending and normally for emergency recovery projects.

Stage 2: Scoping and Development of Terms of Reference

Once a project is categorised, a scoping process is undertaken to identify key issues and to assist the borrower in drafting the Terms of Reference (TOR) for the EA. It is essential to identify more precisely the likely environmental impacts and to define the project's area of influence at this stage. As part of this process, information about the project and its likely environmental and social effects is disseminated to local affected communities and NGOs, followed by scheduled consultations with representatives of the same groups. The main purpose of these consultations is to focus the EA on issues of concern at the local level.

Stage 3: Preparing the EA Report

When a project is classified as Category A, a full-scale EA is undertaken, resulting in an EA report. Category B projects are subject to a more limited EA, the nature and scope of which is determined on a case-by-case basis. The main components of a full EA report are a) executive summary, b) policy, legal and administrative framework, c) project description, d) baseline data, e) impact assessment, f) analysis of alternatives, and g) mitigation or management plan.

Stage 4: EA Review and Project Appraisal

After project preparation has been completed by the borrower, the Bank reviews the proposals and undertakes a project appraisal. This is a comprehensive review of the technical, economic, financial, environmental and institutional aspects of the proposal and is conducted by Bank staff, sometimes supplemented by outside consultants. Bank staff also review the EA findings and prepare a draft Staff Appraisal Report (SAR) that discusses how the borrower will address social, environmental and other issues. Once the draft EA report is complete, the borrower submits it to the Bank for review by the project team, including the environmental specialists. If found satisfactory, the Bank team is authorised to proceed to appraisal of the project. On the Appraisal mission, Bank staff review the EA's procedural and substantive elements with the borrower, resolve any outstanding issues, assess the adequacy of the institutions responsible for environmental management in light of the EA's findings, ensure that the mitigation plan is adequately budgeted, and determine if the EA's recommendations are properly addressed in project design and economic analysis. After the appraisal mission returns and the appraisal report is issued and reviewed, formal loan negotiations begin between the Bank and the borrower. Both sides must agree on the conditions necessary to ensure the project's success, including detailed schedules for implementation. It is important to transfer EA findings and recommendations into appropriate language for environment-related conditions, covenants and implementation schedules in the legal agreements.

Stage 5: Project Implementation and Supervision

The borrower is responsible for implementing the project according to agreements derived from the EA process. The borrower reports on: (a) compliance with measures agreed with the Bank on the basis of the findings of the EA, including implementation of any EMP, as set out in the project documents; (b) the status of mitigating measures; and (c) the findings of monitoring progress. The Bank supervises the implementation of environmental aspects as part of overall project supervision, using environmental specialists as necessary.

Institutional Capacity: When the borrower has inadequate legal or technical capacity to conduct key EA-related functions (such as review of EA, environmental monitoring, or management of mitigation measures) for a proposed project, the project should include components to strengthen that capacity.

Public Consultation: Consultation with affected communities is recognised as key to identifying environmental impacts and designing mitigation measures for all A and B projects proposed for financing. For Category A projects, the Bank's policy requires consultation with affected groups and local NGOs during at least two stages of the EA process: (1) at the scoping stage, shortly after environmental

screening, and before the TORs for the EA are finalised, and (2) once a draft EA report is prepared. Consultation throughout EA preparation is also generally encouraged, particularly for projects that affect peoples' livelihood and for community-based projects. In projects with major social components, such as those requiring involuntary resettlement or affecting indigenous people, the consultation process should involve active public participation in the EA and project development process and the social and environmental issues should be closely linked.

Disclosure of Information: For consultations between the borrower and project-affected groups and local NGOs on all Category A and B projects proposed for financing, the borrower provides a summary of the proposed project's objectives, description and potential impacts; for consultation after the draft EA report is prepared, the borrower provides a summary of the EA's conclusions. In addition, for a Category A project, the borrower makes the EA report available at a public place accessible to project-affected groups and local NGOs. Once the borrower officially provides a Category A report to the Bank, the Bank distributes the summary (in English) to the Bank's Board of Executive Directors and makes the report available through its Infoshop. Once the borrower officially provides any separate Category B EA report to the Bank, the Bank makes it available through its Infoshop.

CONTACT

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Comparison Among Donors of Factors Influencing Environmental Assessment (EA) Decisions for Development Assistance Projects

√ = in OECD/DAC Guidelines on Good Practices for Environmental Impact Assessment of Development Projects

x = country/organization specific factor

	INFLUENCING FACTORS	A u s t	A e l n	C e n	D e C	E i n	F r a	F e r	G e r	I r e	I t a	J a p	N e t h	N Z	N o r	S w e	S w i t	U K	U S A	A D B	A f D B	C D B	I A D B	W B
(A)	LEGAL/POLICY FACTORS																							
(1)	EA for ODA activities required by legislation (current or pending)	x		x		x				x		x							x					
(2)	Financial and Technical Assistance delivered by separate agencies							x			x						x							
(3)	Sustainable development explicitly included in ODA policy goals	x	x	x	x	x	x			x			x		x	x	x	x		x	x	x	x	x
(4)	EA is integral part of project selection, design and implementation	√		√	√	√	√	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√
(5)	Environment, poverty and WID stressed simultaneously												x											
(6)	EAs can be prepared for sectors, programmes, or policies			x		x							x					x	x	√	√	√	√	√
(7)	Consider effects on global commons and world heritage resources						x					x	x					x	x	√	√	√	√	√
(8)	EAs independently reviewed; final decision left to recipient country	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√					
(9)	EA may be subject to independent review outside control of donor	x		x			x						x						x					
(10)	Compare environmental effects of project and alternatives	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√
(11)	Export of technologies/products banned by donor are prohibited	x																	x					
(12)	Apply standards in EA that achieve minimum “acceptable” effects	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
(13)	ODA programme is subject to a formal environmental audit	x																						
(B)	RECIPIENT COUNTRY FACTORS																							
(14)	Developing countries responsible for their own development	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
(15)	Recipient country should conduct EA before submitting proposal	x		x				x	x			x						x		√				√
(16)	An EA should be approved by the recipient country	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
(17)	Donor’s or international standards apply if local ones inadequate	x		x		x	x	x	x			x	x					x		x	x	x	x	x
(18)	EAs take advantage of country environmental survey/strategies	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	x	x	x	x	x
(C)	PROCEDURAL FACTORS																							
(19)	Process starts with screening to determine if full EA is needed.	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√
(20)	Projects are placed in categories as a result of screening	x		x	x	x	x	x			x	x				x				x	x	x	x	x
(21)	Donor has developed sector-specific EA guidelines	x			x	x	x	x	x		x	x	x		x	x		x	x	x	x			x
(22)	Scoping process begins immediately after decision to conduct EA	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	x				x

	INFLUENCING FACTORS	A u s	A u s t	B e l	C a n	D e n	E C	F i n	F r a	G e r	I r e	I t a	J a p	N e t h	N Z	N o r	S w e	S w i t	U K	U S A	A D B	A f D B	C D B	I A D B	W B	
(23)	Scoping combined with screening		x							x			x	x												
(24)	Environmental Management/Action Plans may be required	x			x	x	x	x					x	x								x				x
(25)	EA should contain recommendations for monitoring and audit	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√				√
(D)	LOCATION FACTORS																									
(26)	EA applies if sensitive areas recommended by OECD are affected	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√					
(27)	EA should cover off-site effects, including transboundary impacts	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√				√
(28)	Environmental impacts of land use changes specifically addressed						x	x	x	x			x	x		x			x							x
(29)	EA should include critical habitats and protected areas	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(E)	PROJECT FACTORS																									
(30)	EA generally applies for certain projects recommended by OECD	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
(31)	Certain projects are normally subject to specified level of EA				x						x			x							x	x	x	x	x	x
(32)	EA applies to all activities involving the use of pesticides																				x					x
(F)	ECOSYSTEM FACTORS																									
(33)	EA covers effects on endangered species and biological diversity	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√					√
(34)	EA includes ecologically unique or fragile areas	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(35)	EA should include time-delayed impacts and cumulative effects	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(G)	SOCIO-ECONOMIC FACTORS																									
(36)	EA includes effects on natural resources and related changes in use	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(37)	EA includes social effects arising from environmental impacts	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(38)	Gender-specific effects of development should be addressed	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√						√
(39)	Relationship between environment and land-ownership is addressed	x						x					x	x		x										√
(40)	EA includes effects on indigenous people and subsistence lifestyles	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(41)	Where possible, the views of the target and affected groups are obtained	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(42)	EA should address issues associated with resettlement	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√	√	√	√	√	√
(43)	For hazardous installations, risk assessment should be conducted	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
(44)	EA should include impacts on public health and well-being	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
(45)	EA specifically includes occupational health considerations	x				x	x	x		x		x		x		x			x							√
(46)	EA specifically addresses compensation for affected people					x		x					x	x					x							√
(47)	NGOs should be encouraged and supported to participate in EAs	√	√	√	√	√	√	√	√	√	√	√	√	x	√	√	√	√	√	√	√					√
(48)	EA should include effects on relevant economic policies	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√					√
(49)	EA includes economic analysis of environmental impacts	x				x	x					x	x			x										√