



African Development Foundation

Environmental Policy Training

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Purposes of ADF's Environmental Policy (I)

- ★ Protect human health and the natural and physical environment by
 - Fostering good project design and implementation
 - Prevent, reduce, or mitigate negative impacts on people and the environment
 - Identify alternatives that are environmentally preferable
 - Ensure natural resource sustainability for long-term viability of project activities
- ★ Comply with US Government requirements
- ★ Prevent environment and safety problems that could result in legal liability



Legal Requirements Under NEPA (I)

- US government agencies are subject to the National Environmental Policy Act of 1969 (NEPA)
- NEPA requires a screening process to determine whether major Federal actions may have significant positive or negative environmental impacts
- If so, USG agencies are required to prepare a detailed Environmental Impact Assessment to
 - Assess the potential impacts
 - Reduce or mitigate negative impacts
 - Identify environmentally preferable alternatives



Legal Requirements Under NEPA (II)

- ★ Executive Order 12114 of 1979 clarified that NEPA pertains to environmental effects of USG agency actions outside the United States
- ★ NEPA applies even if the country where USG actions may have environmental impacts does not have any laws or effective regulations restricting a practice or has weaker standards than the US
- ★ ADF decisions to fund a project grant are considered major Federal actions





Legal Liability

- ★ After 5 farm workers died from pesticide exposure in Pakistan, an environmental NGO sued USAID for failure to comply with NEPA. USAID settled the lawsuit in 1976 by issuing regulations to fully implement the law.
- ★ U.S. Government corporations, such as the Export-Import Bank and Overseas Private Investment Corp., have been sued for failure to comply with NEPA.
- ★ The World Bank has been subject to many environmental lawsuits. The U.S. Treasury is required to consider environmental impact projects in voting on World Bank projects.



Host Country Environment and Safety Laws

- ★ ADF and its partner organizations could also be subject to environment and safety lawsuits under host country laws.
- ★ ADF also requires grantees to comply with all applicable host country laws, including environment and safety regulations and requirements for Environmental Impact Statements, but this is not a substitute for ADF responsibilities under NEPA.



Examples of Questions to Be Addressed in Project Papers (I)

- ★ Will the project convert forests, savanna, wetlands, water bodies, or other natural areas or fragile lands for agriculture, infrastructure, or other uses?
- ★ Agriculture and silviculture projects:
 - Will the project increase use of pesticides or chemical fertilizers?



Examples of Questions To Be Addressed in Project Papers (II)

- ★ Livestock projects:
 - Will the project increase pressures on land for grazing?
 - How will animal wastes be dealt with?
- ★ Will the project increase use of forest products or other natural products?
- ★ Will the project support or depend on construction of upgrading roads?



Examples of Questions To Be Addressed (III)

- ★ Will the project increase air or water pollution or generate solid wastes?
 - If so, can the negative impact be reduced by reducing pollutants produced or treatment, recycling, or reuse?
- ★ Will the project use nonrenewable energy sources or materials?



Examples of Questions To Be Addressed (IV)

- ★ Will the project use renewable energy sources or materials at a sustainable rate?
- ★ Would the project have any potential impact on endangered, threatened, or vulnerable plants and animals or the habitat they require?
- ★ Aquaculture projects:
 - How will water quality be affected?
 - How will other aquatic life be affected?



Examples of Questions To Be Addressed (V)

- ★ Will the project support or depend on water resource development or control structures?
- ★ Will the project use toxic or hazardous agricultural or industrial chemicals or potentially dangerous machinery or manufacturing processes?



Projects That Will Increase Use of Agrochemicals or Other Toxic Substances (I)

- ★ ADF/Washington Environmental Officer approval of specific pesticides, herbicides, fungicides or toxic substances (brand name and chemical name) is required before project approval.
- ★ Any additional agrochemicals or toxic substances that were not cleared by ADF in the project review process must be approved by the ADF/Washington Environmental Officer before use during project implementation.
- ★ These provisions apply even if ADF is not providing direct budgetary support for purchasing the agrochemicals or other toxic substances since money is fungible.
- ★ Agrochemical issues also apply to projects that involve storage, marketing, or processing of agricultural products.





Projects That Will Increase Use of Agrochemicals or Other Toxic Substances (II)

- ★ The Project Papers for projects must ensure
 - Training in safe use, storage, and disposal of agrochemicals
 - Access to protective equipment and/or clothing
 - Monitoring to ensure safety for people and the environment
 - Use of Integrated Pest Management to reduce agrochemical use
 - Identify feasible pollution prevention methods to reduce use of toxic substances.



Projects That Will Increase Use of Agrochemicals or Toxic Substances (III)

- ★ Agrochemicals on the UN PIC list, severely restricted, or severely hazardous pesticide formulations lists may not be used in ADF-funded projects.
- ★ Agrochemicals on the US EPA Restricted Use Products list or US EPA's highest toxicity category cannot be used in the absence of a detailed Environmental Impact Statement and even then will generally not be approved for use by small-scale farmers (same as USAID policy)
- ★ ADF encourages substitution of safer substitutes for agrochemicals in the US EPA's second highest toxicity category.



Other Common Environmental Issues (I): Deforestation and Degradation of Other Natural Resources

- ★ What quantity of wood products and other natural resources would be required and what would be their sources?
- ★ How will the project ensure a sustainable supply of wood and other natural resources?
- ★ Will the project lead to conversion of forests or other natural lands to other land uses?
- ★ Will extraction of forest products or other natural resource products be done in environmentally sound ways?



Microcredit Projects

- ★ If a project will provide credit for a wide variety of unspecified types of MSEs that cannot be determined in advance, no specific environmental requirements apply.
- ★ If a project provides targeted credit for crop production or storage, pesticide questions apply.
- ★ If a project provides targeted credit for specific types of MSEs like cloth dyeing, the Project Paper must address environmental impacts.





Projects With Significant Environmental Concerns: Example 1

- * A project proposed support for a cooperative of smallholder farmers growing paprika peppers for sale to large companies that process it for export.
- * The co-op proposed 10 pesticides – 1 was banned from manufacturing in the U.S., 2 were in the U.S. EPA's two highest toxicity categories, and 1 was no longer recommended by one of the processing companies because the EU had rejected a shipment of their paprika that had high residues of the chemical.
- * ADF asked the Partner to confer with the processing company and agricultural extension service to find safer substitutes for these 4 pesticides.
- * A potential problem with use of inputs that are risky for human health and the environment and jeopardize market acceptance was avoided.



Example 2

- * A project proposed septic tank emptying services and use of the untreated septic tank waste as fertilizer on farmland.
- * Since septic tank waste can spread viruses, bacteria, and toxins, the US EPA sets land use restrictions after its application.
 - Minimum time before food crops can be harvested, depending on whether the harvested parts are above or below ground and the length of time that the waste remains on the land surface
 - Controlling public access to the land, animal grazing, and fiber or fodder crop harvesting for 30 days.
- * ADF required these restrictions, as a covenant in the grant agreement.
- * Provision of this technical information helped improve the project design, protecting human health and livestock.



Example 3

- * An ecotourism project was proposed on an island with limited water supplies and energy resources. Driving on fragile salts pans in a 4-wheel drive vehicle was identified as a tourist attraction.
- * To protect the valuable natural assets and sustainability of the enterprise, the Partner Organization recommended
 - Restricting driving to designated roads and rehabilitating the existing roads,
 - Limiting the number of tourists and vehicles,
 - Bringing in water by donkey cart, and
 - A solar electric energy system.
- * Early identification of environmental issues increased the potential for long-term success of the venture.



Example 4

- * A project was proposed for organic vanilla production. ADF will want to document the favorable environmental impacts of this project:
 - No pesticides will be used.
 - The project will contribute to reforestation since the vanilla vines are grown on trees.



Example 5

- * A carpenters' cooperative requested ADF support for purchasing used large, heavy equipment for their joint production and service use by members
 - ADF required documentation that the workshop met all national government safety requirements and complied with the factory inspection process
 - ADF required compliance with national social security and medical insurance payroll taxes for workers
 - ADF required the purchase and use of protective gear for workers (Wellington boots, leather gloves, eye goggles, hearing protection, and fire extinguishers). The Partner Organization was responsible for monitoring use.
 - ADF funded the installation of a ventilation system to control exposure to sawdust.



Preliminary Environment and Safety Review (Scoping)

- * A preliminary Environment and Safety Review (ESR) form is required at an early stage of project development
 - Submit with the Application Form or proposal submitted by the applicant, initial site visit reports, and rough budget
 - RPD and ADF/Washington Environmental Officer will review and sign the preliminary ESR form and provide guidance for further project development on potential environment and safety impacts.
 - An Environmental Assessment or detailed Environmental Impact Statement may be required. If so, the scope of work and qualifications of consultants for the study will need to be reviewed by ADF/Washington Environmental Officer



Potential Impacts to Address in ESRs (I)

- * Land clearing or wetland drainage for agricultural or non-agricultural uses
- * Pesticides: safe handling, storage, disposal, and use of insecticides, rodenticides, fungicides, herbicides, and wood preservatives
- * Industrial chemicals: safe handling, storage, disposal, and use of toxic or hazardous chemicals used in manufacturing
- * Pollution: release of gaseous, liquid, or solid waste products, by-products and contaminants into the air, water bodies, or land
- * Sanitation: ensuring proper disposal and/or treatment of human and animal wastes in ways that protect the public health and the environment



Potential Impacts to Address in ESRs (II)

- * Sustainable Use of Renewable Resources: harvesting rates and extraction methods for forest products and other plant materials and terrestrial or aquatic animal products
- * Water consumption and extraction: water requirements and competing uses as well as impacts from construction or rehabilitation of water resource control structures, wells, boreholes, or impoundments
- * Mining and other extractive resources
- * Rural road construction or rehabilitation: 10 km or more in length or with a change in the right of way or alignment
- * Site impact of construction or building renovation activities: disturbing a surface area of greater than 1000 square meters





Potential Impacts to Address in ESRs (III)

- ★ Resettlement of human populations
- ★ Non-native plants or animals: introduction or production
- ★ Threatened or endangered species of plants or animals: direct impact or habitat degradation or destruction



Compliance Review (II)

- ★ A revised ESR form is submitted for the project Compliance Review.
- ★ Recommended environment and safety measures must also be reflected in the project budget and implementation plan .

