



USADF MANUAL

SUBJECT

**Guidelines for
Environmental Compliance**

DATE: 1/30/2007**SECTION: 607****RESPONSIBLE OFFICE:**

Office of the President

Replaces:

New Manual Section

1. AUTHORITY

- The African Development Foundation Act (Pub. L. 96-533, 22 U.S.C.290h)
- The National Environmental Policy Act of 1969, as amended (Pub.L. 91-190, 42 U.S.C. 4321-4347, January 1, 1970, as amended by Pub. L. 94-52, July 3, 1975, Pub. L. 94-83, August 9, 1975, and Pub. L. 97-258, § 4(b), September 13, 1982)
- Executive Order 12114 – Environmental Effects Abroad of Major Federal Actions.

2. PURPOSE

This manual sections sets forth general guidance and procedures for identifying potential environmental issues and verifying that an adequate environmental analysis has been performed whenever warranted in ADF funded activities.

3. BACKGROUND

Africans rely heavily on their natural resources to generate incomes and meet their livelihood needs. Yet, countries in region are challenged constantly by threats to their natural resource base. ADF believes careful consideration of the effects of a development activity, together with thoughtful design and implementation can achieve significant benefits to the poor with no

adverse affect on the environment. This manual section incorporates into program operations the importance ADF assigns to the environment.

4. POLICY

In the advancement of its purpose to help the poor in Africa, ADF invests in a broad range of activities, including small scale business, agricultural production and processing, and service delivery programs. These investments finance integrated support services to businesses, agricultural producers, and community groups to increase employment, income levels, and provide other social services to the poor.

ADF policy is to ensure that environmental consequences of ADF-financed activities are identified and considered prior to funding, and that reasonable safeguards are included in the design, implementation, and monitoring efforts. When necessary and to the extent practical, ADF will consult with or seek the participation of affected parties, host governments, local experts, and other stakeholders in conducting environmental assessments. ADF also encourages grant applications for projects designed to improve natural resource and environmental management.

Environmental Analysis Policy

United States law requires all Federal agencies to identify and develop methods and procedures that will ensure effects on the human environment of “major actions” (including those outside the geographical borders of the United States) are given appropriate consideration in decision-making along with economic and technical considerations. ADF has developed procedures consistent with guidelines established by the President’s Council on Environmental Quality (CEQ).

All potential ADF investments must comply the environmental procedures, except those that are categorically exempt. Exempt activities include the following:

- education, training, and technical and advisory services for grants and cooperative agreements;
- cooperative agreements that provide technical and advisory services;
- grants involving nutrition, health care, or population and family planning services; and
- non-sectoral micro credit and micro finance grants.

ADF will conduct an initial (threshold) review of all potential investments that do not fit into one of the exempt categories. This review will be undertaken as early as possible in the proposal development process. It is expected that rarely, if ever, ADF will undertake a “major action” as contemplated by Federal law. However, if the initial review indicates a likely significant environment effect, an environmental assessment will be conducted before ADF proceeds with funding a project. In such cases, ADF may elect to provide funds to conduct the assessment,

request the applicant to provide funding for the assessment, or decline from pursuing any additional funding considerations or actions. In addition, ADF will ensure the environmental assessment is performed by individuals with the requisite expertise. Also, ADF will seek to coordinate the assessment with other stakeholders such as the host government, private sector, community, and donors.

During the design of ADF-financed activities, reasonable consideration must be given to means for reducing the negative environmental aspects of an investment, even where they do not reach the level of having a “significant effect” within the meaning of Federal environmental law. Alternatives aimed at minimizing negative effects must be judged on the practicality (cost, value-added, and effectiveness) and acceptability within the implementing human environment,.

Standard of Review

ADF’s environmental review process should involve a reasonable balance of environmental, economic, technical, and practical considerations. In each case, the review should take into account the capabilities of the entities implementing the project and managing its environmental and social impacts, host-country conditions, host- country’s legal and policy framework, national environmental action plan, the findings of local environmental studies, and international standards. The review process should ensure that ADF does not fund any activities that are likely to cause a significant environmental, health, or safety hazard.

5. SCOPE

This manual section applies to all project grants funded by ADF. By policy the following grant types qualify for categorical exclusions from all environmental considerations:

6. WAIVER

The President of the Foundation may waive any part of this manual section in writing provided such waiver does not conflict with any law or regulation applicable to the Foundation’s grant program.

7. DEFINITIONS

Significant effect: the overall impact from a series of separate actions by a business, enterprise, or community group that causes significant harm or damage to the local environment or surrounding community.

Environmental Screening Report (ESR): A formal report of basic environmental information needed to make a threshold determination on what environmental issues may need to be addressed in the project design, and whether a more detailed Environmental Assessment will be required. The ESR is a required item in a project’s due diligence document list. The ESR format

is specified in found in Appendix 1. The assessment will take into consideration the following categories:

- 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.
- 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
- 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

Environmental Assessment (EA): A more detailed study of potential significant effects of a proposed action on the environment resulting from the implementation of an ADF funded project. An EA is required when the ESR indicates that a project may pose a significant environmental effect. Depending on the nature of the potential impact, the assessment may be conducted by the partner organization, a host country governmental agency, or a technical service provider. The format for an EA is found in Appendix 2. If required it will be included in the final due diligence file.

8. RESPONSIBILITIES

The ADF Country Representative is responsible for completing an ESR document for all potential grant projects. When necessary, the Representative works with the Partner Organization (and host country environmental group or technical service providers, as determined by the scope of the project activity) to ensure an Environmental Assessment is conducted. The Representative ensures that the recommendations of the ESR (and or EA) are incorporated into the project design and implementation plan. The Representative working in conjunction with the Partner

Organization periodically monitors project activity to ensure environmental issues are being addresses and accurately reported on during the life cycle of the grant period.

The designated ADF Regional Supervisor is responsible to: 1) Review the ESR document to determine whether an EA is required; and 2) review and confirm that any recommendations and requirements identified by either the ESR, or the EA have been properly accounted for in the design and implementation plan of the project under consideration. (See the Clearance Page in ESR form, Appendix 1.)

The designated ADF Environmental Officer member will review the ESR document to advise the regional supervisor on environmental considerations, the need for an Environmental Assessment, and any other initial environmental design considerations. The designated staff will also provide final concurrence that any recommendations and requirements identified by either the ESR, or the Environmental Assessment have been properly accounted for in the design and implementation plan of the project under consideration (see Clearance page in ESR form, Appendix 1). If the designated staff does not concur with the regional supervisor's determination, the final clearance decision will be referred to the President.

The designated ADF Portfolio Manager is responsible to monitor quarterly grantee reports to ensure environmental design and project plan requirements are being completed as outlined in the approved project implementation plan.

9. PROCEDURES

9.1. The Environmental Screening Report (ESR)

During the initial stages of project screening and selection the country representative will conduct an environmental review and generate an ESR utilizing the form in Appendix 1. The ESR document is intended to identify any potential effects of a proposed activity on the environment and provide guidance for the project designers on relevant environmental considerations. Project applications may be rejected from the application process if the ESR detects the potential for unavoidable, significant environmental impacts. A second purpose of the ESR is to identify any potential significant environmental issues that will require a more detailed Environmental Assessment and response during the design stage of project development. The representative and partner should be familiar with the following listings of problematic agricultural chemical inputs (Appendix 3, Prohibited and Restricted Use Chemical Inputs).

The country representative will consider these issues, and document all findings in the ESR document. These factors are important inputs in making a decision to refer the project for development.

The regional supervisor and the designated environmental officer will review the ESR document to determine if there are environmental issues that must be addressed in project

design and implementation, and whether or not a more detailed Environmental Assessment is required. Additional review signatures are required from the RIA, and partner organization to ensure there is a common understanding of the relevant issues as the project proceeds into development and design. The review, decision, and recommendations are recorded in the ESR document and included in the project due diligence file.

9.2. The Environmental Assessment (EA)

If a project is approved for project development and the determination has been made that an environmental assessment is necessary, then the representative working with the partner organization has the responsibility to engage the appropriate host country government environmental agency, or a technical service provider to conduct an assessment that ensures that the project design and implementation will meet national policies standards and general ADF guidelines. The representative may also consult with other funding organizations to gain from their experience with similar risks. Once the environmental assessment is conducted the representative and the regional supervisor are responsible to ensure that EA is included in the due diligence documents, and that any required mitigation and response strategies are integrated into the project design and implementation activities.

9.3. The Environmental Analysis

Guidelines for an environmental analysis are to be included in project development activities to ensure sufficient and consistent environmental design, implementation planning, monitoring, and mitigation measures are followed for each project under funding consideration. Chemicals and pesticides used as project inputs require that the project design and budget includes activities and resources for appropriate training, safety plans, and equipment.

9.4. The Implementation Plan

The implementation plan shall contain all the critical actions and monitoring activities needed to reasonably address the concerns noted during the Environmental Screening Report, or the Environmental Assessment. The plan will also include a budget line item, a narrative description, a timeline, and a named resource responsible for the delivery of key environmental related activities. All projects involving chemical and pesticide use require that the implementation plan and budget include appropriate use, handling, and disposal training and requisite safety equipment. This should address:

1. Safe application methods, rates, frequency of use, and conditions of use;

2. Areas where the pesticide should not be used to avoid contaminating surface or ground water sources;
3. How to protect both adults and children from exposure to the pesticide before, during, and after its application; and
4. Safe storage and disposal of the pesticide.
5. Proper use of safety equipment (The project budget should include funds for the purchase of goggles, gloves, and protective clothing where these are needed for safe handling of the chemicals and are not already available.)

The project paper should briefly describe how the planned activities will prevent, reduce, or mitigate the issues identified. In projects where significant effects may be present the implementation plan should incorporate one to two key environmental monitoring metrics for inclusion in the overall project performance plan. In some cases it may be necessary to include these performance metrics in the actual grant agreement to ensure they are properly monitored during implementation.

9.5. Final Project Review and Approval

All projects are reviewed for final approval prior to a formal obligation of US funds. During the final project review the regional supervisor and designated environmental officer will ensure that the recommendations and findings of the ESR, and EA if required, are incorporated in the project implementation plan. Clearance and concurrence signatures are included in the ESR form (see Appendix 1).

9.6. Environmental Monitoring and Reporting

All Projects are routinely monitored through standard quarterly reporting mechanism (see MS 631) and periodic on-site visits by the Country Representative and Partner Organization. The reports track the progress and performance of the environmental or safety related activities as a part of the project activity reporting section. Periodic on site monitoring ensures the accuracy of the reports. In cases where the grant agreement contains specific environmental or safety performance goals and targets the quarterly report form will also include the specific performance indicators in project performance indicator section of the quarterly report format.

Appendix 1 Environmental Screening Report Form

Applicant Name: _____

Project Name: _____

Project Duration: _____ years ___/___/___ Start ___/___/___ End

Project Type: EEG / OAG / _____ Budget Size (USD): _____

Location (country and area) _____

(Please note any special site considerations, proximity to protected areas, parks, forests, wetlands, rivers, lakes, etc) _____ km _____

Primary Project Activity (describe primary production activity and potential environmental impacts)

Instructions:

An Environmental Screening Report is **NOT** required for this project because is excluded by ADF policy as follows, check the category that applies:

- Education, training, and technical and advisory services for grants and cooperative agreements;
- Cooperative Agreements that provide technical and advisory services;
- Grants involving nutrition, health care, or population and family planning services; and
- Non-sectoral Micro Credit and Micro Finance Grants.

Complete information and signatures on Clearance Page of this form, and include this ESR with the project due diligence documentation.

ENVIRONMENTAL SCREENING INFORMATION

Check the activity type that most closely describes this project (provide additional detail in project activity description):

- | | |
|--|--|
| <input type="checkbox"/> Agricultural Activities (number of ____ ha ?) | <input type="checkbox"/> Collection or disposal of trash, sewage, septic waste |
| <input type="checkbox"/> Livestock / Dairy Production (number of animals ____) | <input type="checkbox"/> Light Industrial Production or Processing |
| <input type="checkbox"/> Mining (mineral _____, _____sq m of area mined) | <input type="checkbox"/> Large Scale Irrigation (____ha) / Water Control structures, wells, boreholes, or impoundments (type, size, number _____) |
| <input type="checkbox"/> Facilities Construction / Rehab (<u>less</u> / <u>greater</u> than 1000 sq m area disturbed? Circle answer.) | <input type="checkbox"/> Drainage of Wetlands (____ha) |
| <input type="checkbox"/> Roads Construction / Rehab (number of ____ km) | <input type="checkbox"/> Potential effect on endangered species & habitat |
| <input type="checkbox"/> Clearing of Forest for logging or other uses (____ha) | <input type="checkbox"/> Introduction or production of non-native plants or animals |
| <input type="checkbox"/> ___ Fishing ___ Aquaculture (___ sq m) | <input type="checkbox"/> Resettlement of human populations |
| <input type="checkbox"/> Significant use wood or charcoal fuels | <input type="checkbox"/> Other , please describe. _____ |

Activity (list known chemical inputs such refer to Appendix 3 for restrictions)	Potential Environmental / Safety Impact and Causes	Potential Mitigation Measures or Alternative Approaches
Additional rows as needed		

CLEARANCE PAGE

Initial Project Review

Project environmental recommendations (any special considerations needed to be included in project design and implementation plans, completed by the RIA in consultation with the Env Officer):

Requires an Environmental Assessment with Project Design
State reasons:

Drafted by: _____	Position: _____	Date: _____
Reviewed by: _____	Position: _Rep _____	Date: _____
Reviewed by: _____	Position: _RIA _____	Date: _____
Reviewed by: _____	Position: _Reg _Sup_	Date: _____
Reviewed by: _____	Position: _Partner ____	Date: _____
Reviewed by: _____	Position: Env Officer _	Date: _____

Final Investment Review and Clearance

- Project does not require any special environmental considerations.
- Project includes appropriate environmental compliance considerations.
- Grant Agreement to include the Conditions Precedent or Covenant noted below.

Comments / Notations:

Clearance: _____ Position: _Reg _Sup_ Date: _____

Concurrence: _____ Position: Env Staff _ Date: _____

Appendix 2 Environmental Assessment Report Format

Applicant Name: _____

Project Name: _____

Project Duration: _____ years ___/___/___ Start ___/___/___ End

Location (country and area)

The following narrative should be organized a by activity and then each major heading would cover the Sections 1 to 4. The summary in Section 5 is to cover all categories addressed, with an overview of the summaries at the end.

1.0 BACKGROUND AND ACTIVITY DESCRIPTION

Describe why the activity is desired and appropriate, and outline the key activities proposed for ADF funding.

2.0 COUNTRY AND ENVIRONMENTAL INFORMATION

This section is critical and should briefly assess the current physical environment that might be affected by the activity. Depending upon the activities proposed, this could include an examination of land use, geology, topography, soil, climate, groundwater resources, surface water resources, terrestrial communities, aquatic communities, environmentally sensitive areas (e.g., wetlands or protected species), agricultural cropping patterns and practices, infrastructure and transport services, air quality, demography (including population trends/projections), cultural resources, and the social and economic characteristics of the target communities. Be selective in the country and environmental information you provide, as it should be specific to the activity being proposed and more information is not necessarily better.

Finally, indicate the status and applicability of host country programs and procedures in addressing natural resources, the environment, and other related issues.

3.0 EVALUATION OF ACTIVITY/PROGRAM ISSUES WITH RESPECT TO ENVIRONMENTAL IMPACT POTENTIAL

This section is intended to define all potential environmental impacts of the activity or project, whether they be considered direct, indirect, beneficial, undesired, short-term, long-term, or cumulative. Be clear and concise in the organization of this section.

4.0 RECOMMENDED MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

For each proposed activity or major component recommend what is to be done to avoid, minimize, eliminate or compensate for environmental impacts. For activities where there are expected

environmental consequences, appropriate environmental monitoring and impact indicators should be incorporated in the activity's monitoring and evaluation plan.

5.0 SUMMARY OF FINDINGS

This should summarize the proposed environmental determinations and recommendations.

Appendix 3 Prohibited and Restricted Use Pesticides

ADF encourages the elimination or reduction of pesticide, herbicide, and fungicide use through organic farming or integrated pest management techniques. If pesticides, herbicides, or fungicides will be funded as specific project inputs, ADF requires an initial identification in the Environmental Screening Form and complete listing of the brand names and chemical names in the Project Paper. The ADF Environmental review will evaluate the proposed chemical inputs for a particular project against a current version of the following lists of prohibited and restricted chemicals.

Any chemical inputs that are currently *Banned* or on the *UN PIC list* (see table 1 below) **WILL NOT BE PERMITTED** for use in an ADF funded project.

Pesticide and chemical inputs that are currently classified as *severely restricted*, *severely hazardous pesticide formulations (SHPF)* (see table 1 below), or classified as a *restricted use products* (RUP) (see link below) **ARE STRONGLY RECOMMENDED AGAINST USE, WILL GENERALLY NOT BE APPROVED FOR ADF FUNDING, AND HENCE SHOULD BE SUBSTITUTED WITH SAFER ALTERNATIVES.** In very unusual circumstances, when no acceptable alternatives are available, the use of these inputs will require the approval of the host country environmental or agricultural agency, and may require an Environmental Analysis as determined by the initial environmental screening review.

(Table 1) BANNED, SEVERLY RESTRICTED, & SHPF CHEMICALS LIST

#	Pesticide	* UN PIC List	*Banned	* Severely Restricted	* SHPF
1	<i>Aldrin</i>	X	X		
2	arsenic trioxide			X	
3	<i>asbestos all forms (Interim)</i>	X	X		
4	<i>benzene hexachloride[BHC]</i>	X	X		
5	<i>binapacryl (Interim)</i>		X		
6	2,3,4,5-Bis(2-butylene)tetrahydro-2-furaldehyde [Repellent-11]		X		
7	Bromoxynil butyrate		X		
8	cadmium compounds		X		
9	calcium arsenate		X		
10	<i>captafol</i>	X	X		

11	carbofuran (granular only)			X	
12	carbon tetrachloride		X		
13	Chloranil		X		
14	<i>chlordane</i>	X	X		
15	Chlordecone (kepone)		X		
16	<i>chlordimeform</i>	X	X		
17	<i>chlorobenzilate</i>	X	X		
18	chloromethoxypropylmercuric acetate [CPMA]		X		
19	copper arsenate		X		
20	damizide/alar			X	
21	DBCP		X		
22	<i>DDT</i>	X	X		
23	<i>Dieldrin</i>	X	X		
24	<i>diseb</i> and salts	X	X		
25	Di(phenylmercury)dodecenyisuccinate [PMDS]		X		
26	<i>DNOC (Interim)</i>	X	X		
27	<i>1,2-dibromoethane ethylene dibromide - EDB)</i>	X	X		
28	<i>ethylene dichloride (EDC) (Interim)</i>		X		
29	<i>ethylene oxide (ETO) (Interim) agricultural uses only</i>			X	
30	endrin		X		
31	EPN		X		
32	ethyl hexyleneglycol [6-12]		X		
33	<i>fluoroacetamide</i>	X	X		
34	<i>Heptachlor</i>	X		X	
35	<i>hexachlorobenzene [HCB]</i>	X	X		
36	lead arsenate		X		
37	Leptophos		X		
38	<i>Lindane</i>	X		X	
39	<i>mercury compounds</i> (mercurous chloride and mercuric chloride)	X	X		
40	<i>Methamidophos</i>	X			X
41	<i>methyl parathion</i>	X			X
42	Mevinphos		X		
43	Mirex		X		
44	<i>Mocrotophos</i>	X	X		
45	nitrofen (TOK)		X		
46	OMPA (octamethylpyrophosphoramide)		X		
47	<i>parathion (ethyl)</i>	X			X
48	<i>*Pentachlorophel</i>	X		X	

49	phenylmercury acetate [PMA]		X		
50	phenylmercuric oleate [PMO]		X		X
51	<i>Phosphamidon</i>	X			
52	Potassium 2,4,5-trichlorophenate [2,4,5-TCP]		X		
53	pyriminil [Vacor]		X		
54	Safrole		X		
55	Silvex		X		
56	sodium arsenate			X	
57	sodium arsenite		X		
58	TDE		X		
59	Terpene polychlorinates [Strobane]		X		
60	thallium sulfate		X		
61	<i>toxaphene (chlorinated camphene) (Interim)</i>	X	X		
62	Tributyltin compounds			X	
63	<i>2,4,5-Trichlorophoxyacetic acid [2,4,5-T]</i>	X	X		
64	vinyl chloride		X		

* A current listing of UN PIC, Banned, Severely restricted and SHPF can be found at <http://www.epa.gov/oppfead1/international/piclist.htm> (see [Definitions](#) here)

USEPA RESTRICTED USE PRODUCTS

The US Environmental Protection Agency (USEPA) also classifies a large number of commodities as “Restricted Use Products”. Because of their hazardous nature, USEPA requires that these products be applied by a certified professional applicator. A complete list can be viewed and searched* at <http://www.epa.gov/oppr001/rup/rupjun03.htm> .

*Use the search function (control-f) to find the chemical or trade name.

CHEMICALS WITH HIGH TOXICITY

ADF also asks applicants to consider toxicity levels of all proposed chemical inputs and to select alternatives that are of relatively lower toxicity when possible. The section below provides access to information about chemicals that are in USEPA’s toxicity classes I and II (out of five). In all cases the applicant is advised to consider an alternative chemical, and reminded that all chemicals are to be used in an environmentally responsible matter and ensure that safe handling and disposal procedures are closely followed.

Check one of the following two websites to find out information about the toxicity levels of a particular chemical input. If a chemical is found in one of these listings, ADF highly recommends that a substitute method or alternative chemical be used.

1. Exttoxnet <http://exttoxnet.orst.edu/ghindex.html>
2. PAN chemical name search http://data.pesticideinfo.org/Search_Chemicals.jsp
PAN product name search http://data.pesticideinfo.org/Search_Products.jsp

Start with Exttoxnet and if you cant find the chemical there, check PAN. In the Exttoxnet PIP, the USEPA toxicity class is found under the second heading, “Regulatory Status”. In PAN, click on “More” Under “Detailed Information” next to the chemical or product name. Then, scroll down to “Acute Rating from the US EPA product label under “Detailed Toxicity Information”.