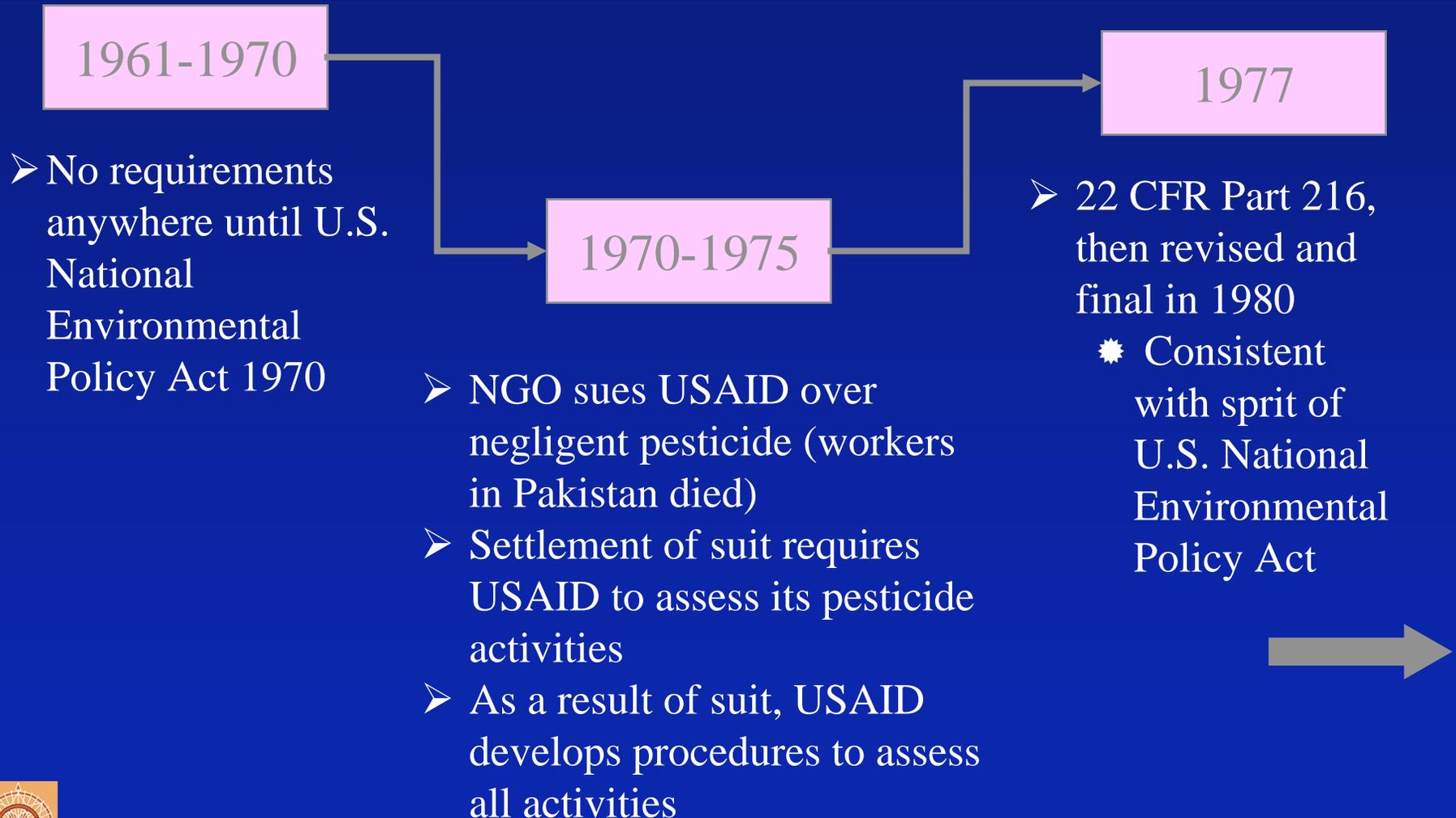


The Environmental Perspective in DCA

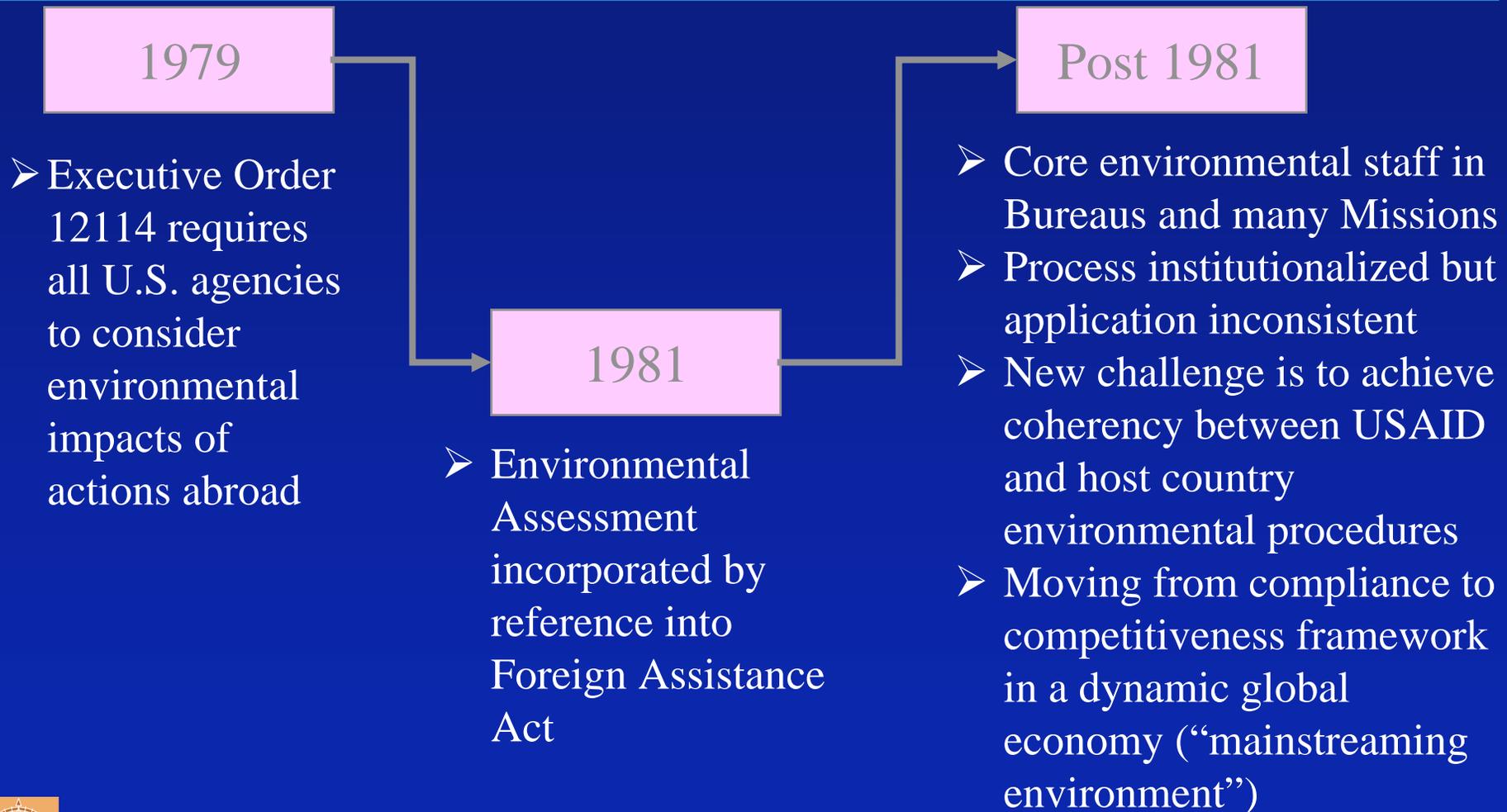
- Overview of USAID's legal requirements
- Environment as competitiveness factor
- Recommendations on how to build an environmental perspective into DCA programs

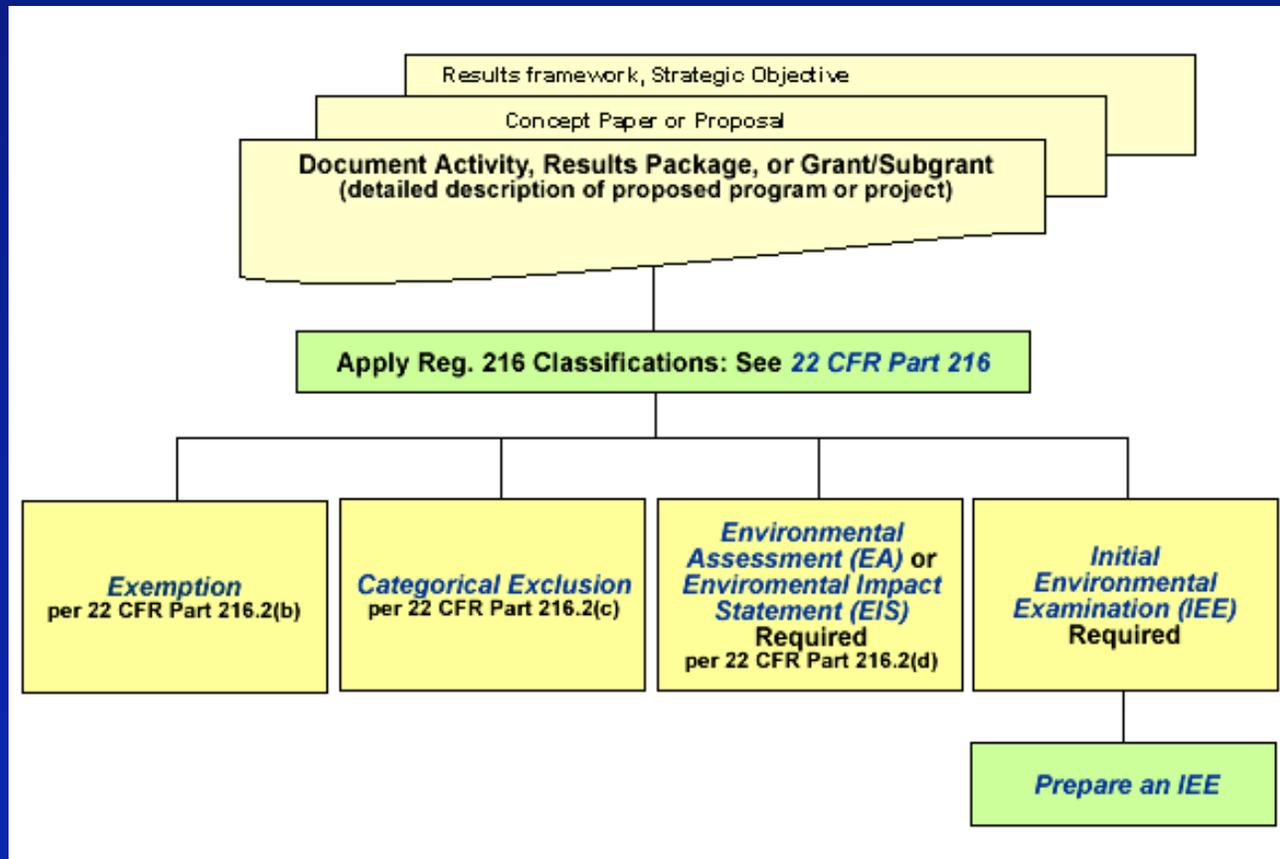


History of Environmental Assessment: Early Phase

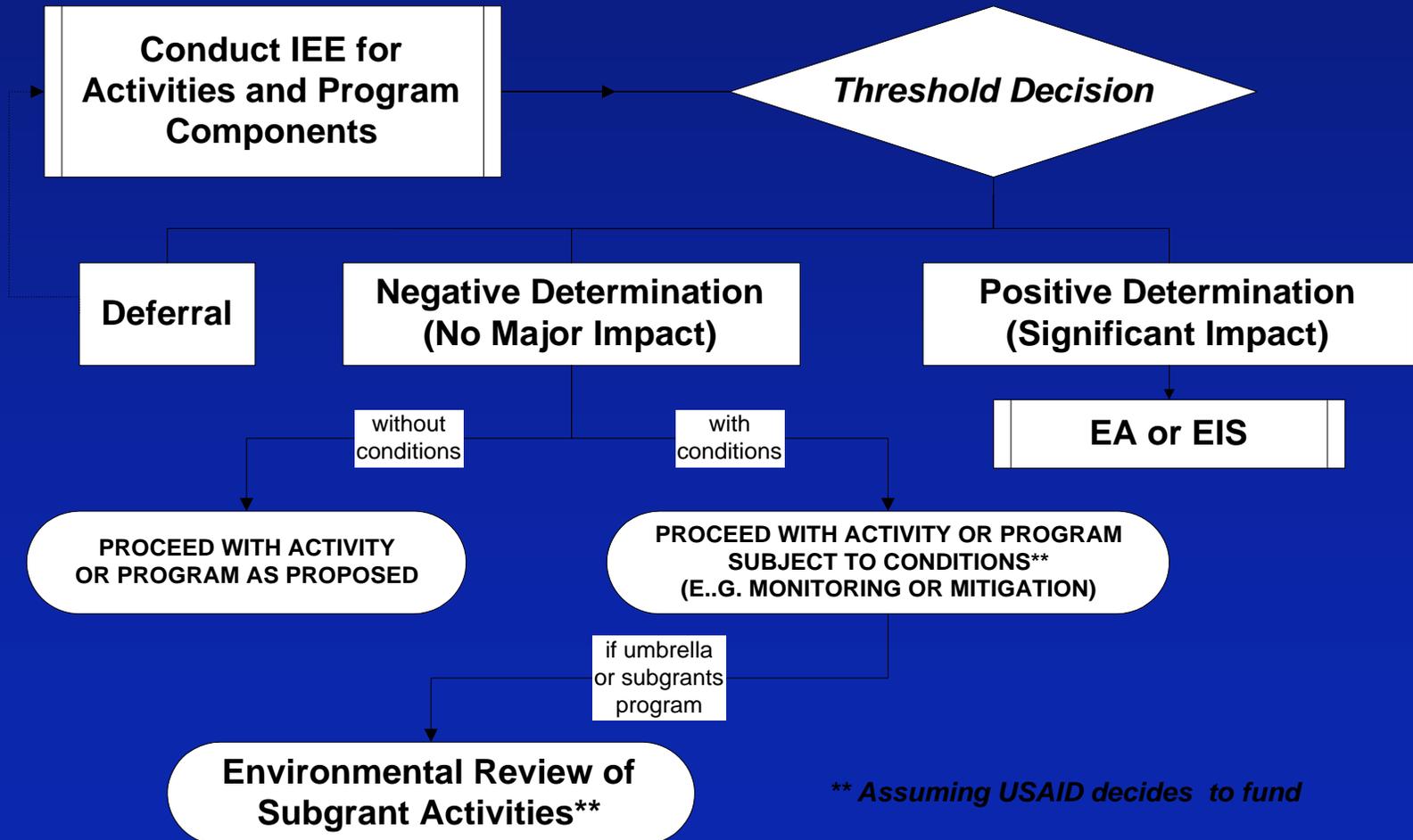


History of Environmental Assessment: Recent Events





Environmental Review Procedures



**** Assuming USAID decides to fund**



Special Concerns: Pesticides

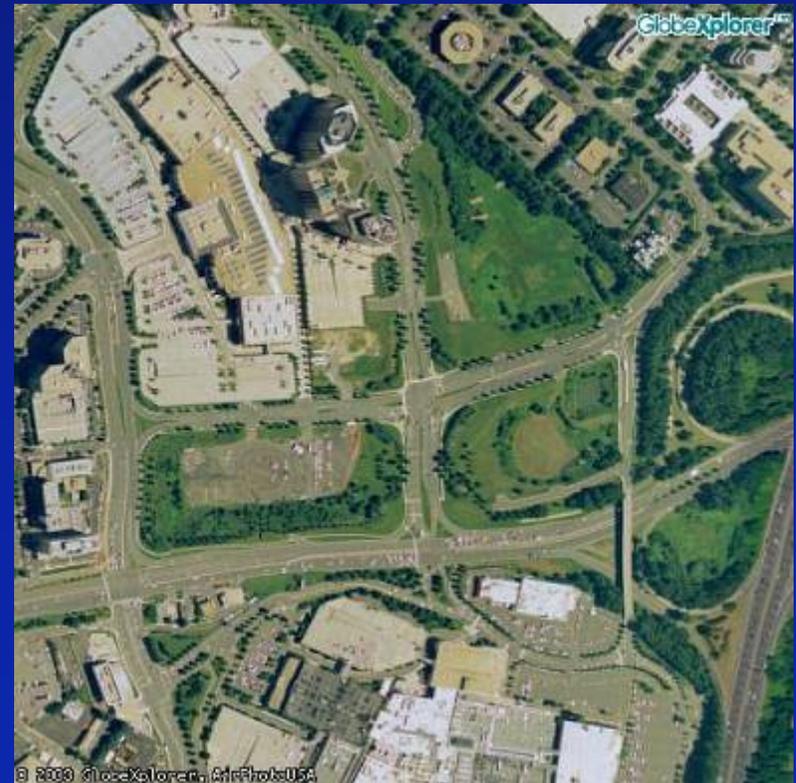


- Toxic exposure
- Environmental impacts
- Profitability
- Market access



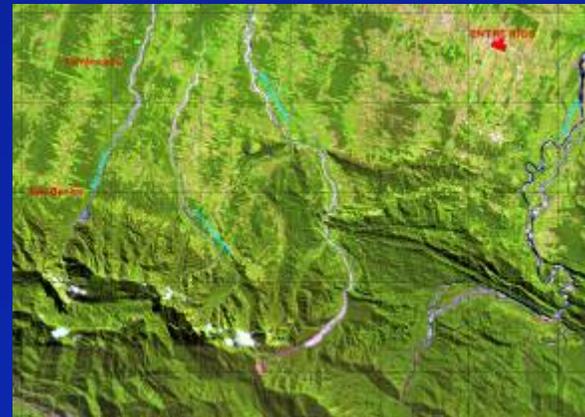
Special Concerns: Construction

- Erosion control during/after construction
- Adequate facilities for processing solid waste and wastewater
- Siting facilities away from “incompatible uses” (i.e. factories not near residential communities)



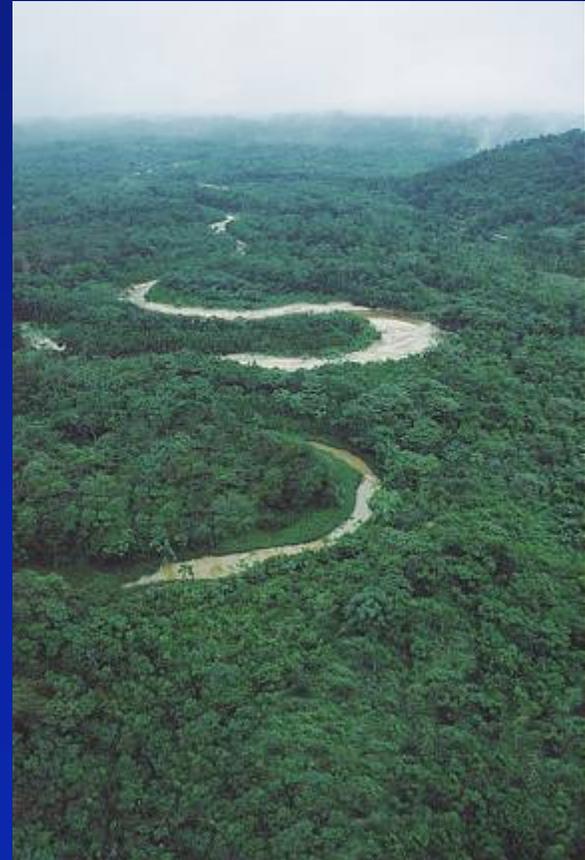
Special Concerns: Roads

- Obstructing surface water flow patterns
- Adverse impact from noise pollution and on ambient air quality
- Changes in land use & deforestation
- Entering fragile areas or causing access for market hunters



Special Concerns: Endangered Species

- Denies any direct or indirect assistance which “significantly degrades national parks or similar protected areas or introduces exotic plants or animals into such areas”



Special Concerns: Deforestation

- Roads
- Resettlement
- Expansion of agricultural frontier
- Loss of biodiversity
- Loss of economic opportunities
- Contribution to GHG balance
- Indigenous peoples



Increasing Attention to Environmental Competitiveness

“Environmental degradation and sustainability are increasingly serious issues in Eastern and Central Africa. Globally, these are recognized as matters affecting competitiveness. REDSO seeks to promote incorporation of environmental quality and management considerations into all relevant elements of its strategy (“mainstreaming environment”). A core REDSO intention for its programs is to promote corporate environmental and social responsibility, and quality environmental management standards on the part of the private and public sectors. International trade standards offer growing opportunities to leverage environmental gains as part of rapidly expanding global trade.”

RATES RFP – 2002



Environmental Design Considerations in DCA

- Focus environmental concerns on operations costs to improve bottom line & repayment:
 - Reduce illness and injuries
 - Control insurance claims
 - Facility noncompliance & closure
 - Improve worker productivity
 - Reduce loss of equipment
 - Prevent wasteful use of inputs & control pollution



Harnessing Standards to Improve Enterprise Competitiveness

- Certification to international standards improves market access, quality, and cost containment
- Health, safety and conservation requirements explicit and auditable
- USAID success in agriculture, forestry & tourism sectors will be enhanced by using certification



Recommendations for DCA Programs and Components

- **Make sure you have a copy of the project Initial Environmental Examination (IEE) or Environmental Assessment (EA)**
- **If no environmental review has been done, then an IEE should be prepared**
- **Approved conditions (IEE) and mitigation measures (EA) should be included in the overall design of the DCA program. Some activities and investments may be prohibited**
- **Look at environment as you would any competitiveness factor**
- **Loan applications should include basic environmental information: siting, inputs, outputs, potential impacts, mitigation and control measures, compliance with host country environmental procedures, monitoring plan**



Recommendations for DCA Programs and Components

- DCA managers (CTO's and partners) should receive training on:
 - USAID environmental review requirements (22 CFR 216, Sec 117-119)
 - How to apply simple environmental screening
 - Become familiar with the World Bank/IFC/OPIC EA procedures
 - Accounting of environment as part of competitiveness and profitability equation.
- Significant loans that have been red-flagged may require a separate IEE or EA – Use the World Bank/IFC/OPIC guidelines
- Conduct environmental site assessment procedures within loan preparation
- Discourage environmental subsidies in asset evaluation & book development
 - Water, energy, waste, renewable inputs
- Help build lenders internal environmental awareness, interest & capacity through training and practical guideline developments



Environmental Review in DCA: It's Just Good Business Practice!

- It's USAID law
- Keep enterprises compliant with local laws and open for business
- Control costs, increase productivity, and maintain competitiveness
- Improve access to higher value suppliers and value-conscious markets
- Include environmental review in loan preparation, negotiation, and operations

