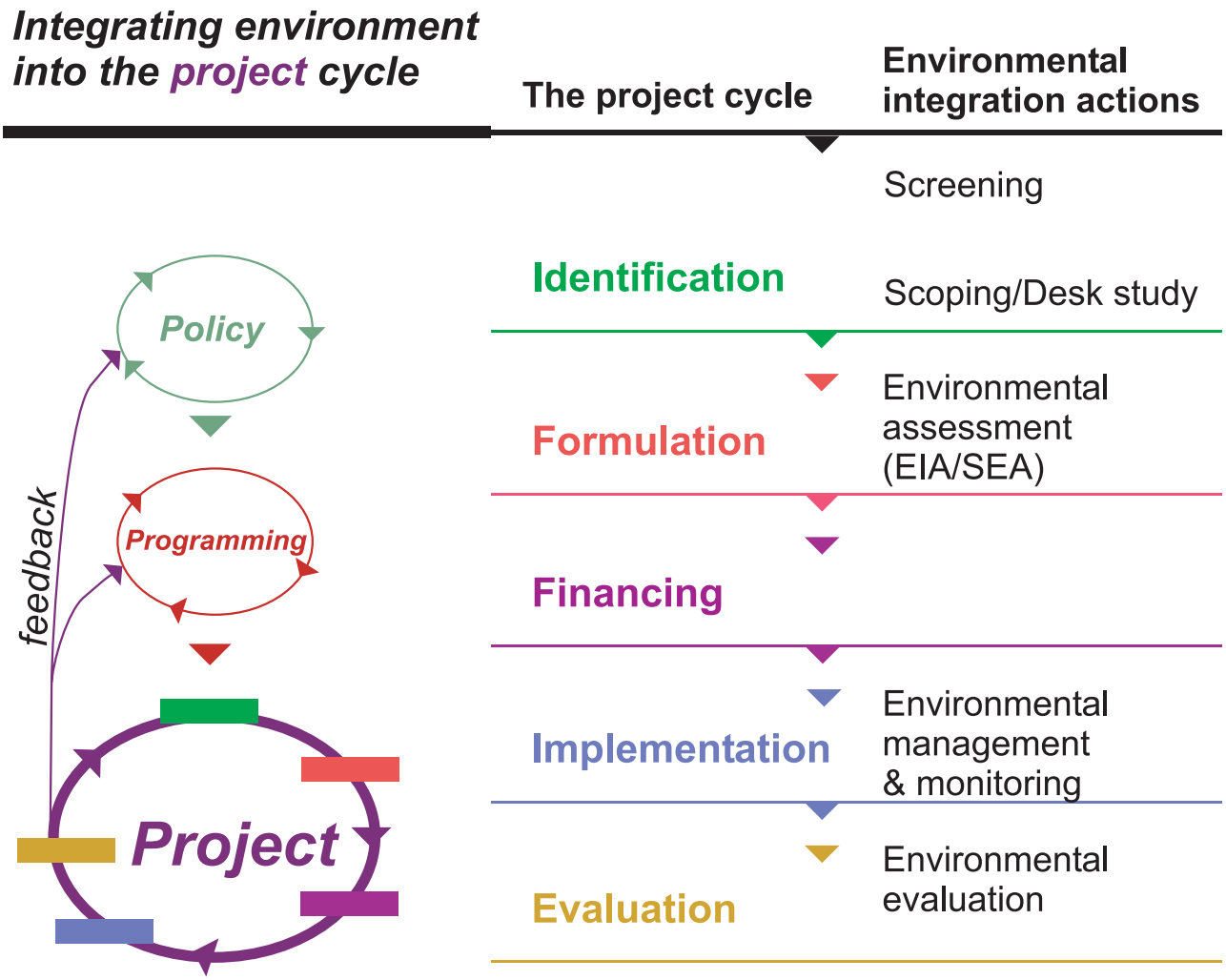
Projects



The sustainability of a development project is affected directly by its interaction with and dependence on environmental resources. The project's impact on environmental resources, therefore, needs to be considered during project identification, formulation and implementation. It is important to identify and prevent environmental problems that could hamper achieving the project objectives, cause delays, or result in unexpected expenditure. Early consideration of environmental issues will also help to ensure that development in one sector is not achieved at the expense of development in another.

Consideration of environmental issues throughout the project cycle involves more than trying to avoid negative impacts. It will help to reveal opportunities for meeting environmental commitments under international conventions, and to enhance the environment for the project beneficiaries, thus achieving additional development benefits.

Environmental integration will not hold up project preparation, provided actions areplanned for an initiated at the same time as other preparatory work.

All international donors require environmental concerns to be integrated into project work, and various environmental assessment methods have been developed for this purpose. At the European level, environmental assessment is mandatory under an EC Directive. Most importantly, environmental assessment is also becoming a requirement of EC development partner countries.

Who is responsible

Commission officials at Headquarters and in Delegations managing project identification, formulation, implementation and evaluation from the EC side are responsible for ensuring that environmental considerations are fully integrated into economic and development activities. To ensure that this is done effectively and transparently, procedures have been developed. In implementing these procedures, support can be obtained from environmental service in the various DGs concerned, in DG Environment, and from external consultants.

Ideally, the beneficiary country assumes responsibility for environment integration. As the partner countries become more active, the role of the EC Task Manager may shift to providing support and advice, but continues to include verifying and documenting that the requirements set down in these procedures have been met.

Which projects

The procedures for environmental integration apply to all projects funded under EC development and economic cooperation. These activities range from support to the development of partner countries policies, macro-economic restructuring and sector investment programmes, to infrastructure investment, small-scale credit assistance, integrated rural development projects, non-governmental organisation (NGO) projects and emergency aid.

EC officials are involved in project proposals at various stages. Proposals may range from broadly formulated ideas selected during programming to "ready-to-go" project proposals prepared and assessed by the partner country or another donor agency. While this means that the starting point for integrating environmental concerns into a project may vary, the same procedures must be followed in all cases. The variations in entry points are incorporated in the procedures.

Which project documents

Throughout the project cycle, there are various documents in which environmental actions have to be documented and specified. These documents include:

Central and Eastern Europe
- Phare, ISPA, SABARD programmes -funding report or commitment report

New Independent States and Mongolia,
- Tacis Programme -Funding report or commitment report

Southern Mediterranean, Middle and Near East, Latin America, South and South-East Asia
- Fiche de Projet – Project fiche
- Project Identification or Preparation reports
- Financing proposal
- Convention de Financement – Financing agreement
- Contract including Technical and Administrative Provisions
- Plan of Operation - Work plan/programme
- Interim reports

Africa, Caribbean and Pacific countries
- Project identification form
- Financing proposal (funding report or commitment report?)
- Convention de Financement – Financing agreement
- Plan of Operation - Work plan/programme
- Interim reports

How to integrate environment

Environmental concerns are integrated into the EC project cycle using a widely applied approach. The process starts with **"Environmental screening"** to determine whether a project requires further environmental action. For many projects, screening will be followed by a desk study to identify the most appropriate environmental action. A large number of environmental management options are available, ranging from the inclusion of environmental safeguards or complementary environmental actions into the project, to environmental assessment applied both to area-specific and policy-oriented projects.

Findings and recommendations of the environmental work need to be incorporated into the project design and stated explicitly in the contractual documents. This will ensure that environmental decisions and actions can be carried out and monitored from project identification through to financing, and form a basis for action during project implementation and evaluation.

Environmental management options

Environmental issues identified during **"Environmental screening"** and desk studies can be addressed in various ways depending on type of project, stage of advancement and level of risk and opportunities. This flexibility allows the most effective action to be chosen and the work required to integrate environmental concerns into project preparation to be proportional to the likely environmental effects. Options include:

"Desk study"

"Incorporating environmental safeguards into the project"

"Adding components to take advantage of environmental opportunities"

"Environmental Impact Assessment (EIA)"

"Strategic Environmental Assessment (SEA)"

"Environmental Audit"

"Environmental Management Plans"

"Environmental Management Systems"

"Complementary environmental projects"

Environmental screening

The first step of the environmental integration procedure is to determine whether further environmental action is required during project preparation and implementation, and specifically whether:

- There are potentially significant adverse effects;
- Sufficient is known about potential environmental effects;
- Mitigation measures need to be identified;
- There are opportunities for environmental enhancement.

Every project proposal is therefore screened as early as possible for these issues and placed in one of three screening categories according to their environmental relevance:

Category A - High environmental impact

Category A projects are likely to have significant, numerous and complex adverse social, health or biophysical impacts because of the scale, extent and location of the project action. Thus before a decision can be made to proceed with this type of projects, an environmental assessment is required and specific mitigation measures need to be agreed to reduce negative impacts to an acceptable level.

There are two main types of action appropriate:

- Environmental Impact Assessment (EIA) for area-based projects;
- Strategic Environmental Assessment (SEA) for `projects' that tackle a higher

level of decision-making, such as support to the development of policy and legislation, large plans and programmes.

The action to be taken is identified by completing the Environment Integration Form.

Due to the complexity of category A projects, Environmental Impact Assessment (EIA) or Strategic Environmental Assessment (SEA) for these projects must be prepared on the basis of a field-based scoping study.

Category B – Medium environmental impact and/or significant potential for environmental enhancement

Category B projects tend to be less complex than Category A projects, although they may have some significant adverse environment impacts or risks. These impacts are generally more predictable than those for category A projects, and can often, but not always, be mitigated through standard and widely recognised measures. Category B projects will often require either EIA or SEA in a simplified form without a separate scoping study.

Category B also includes projects which do not entail any environment risk, but which offer significant opportunities for improving the environment or for addressing environment issues of key strategic importance to the EC.

The appropriate environment action for Category B projects varies according to the type of intervention, the stage of advancement and whether there are environmental risks or opportunities. To ensure that the appropriate action is selected, all Category B projects require a desk study to determine the type of environmental action needed and its timing, and to prepare Terms of Reference. Depending on the project, the desk study may vary in duration from a few hours to a few days and can be undertaken by the responsible desk officer, the environment service, or a consultant.

Projects requiring a **"Desk study"** to determine the environmental action needed include:

- Projects requiring environmental assessment but the potential impacts are generally less complex and easier to predict and mitigate than Category A projects;
- Projects not requiring environment assessment but which could be improved with the incorporation of appropriate environmental safeguards;
- Projects unlikely to have significant adverse environmental impacts but which have potential for environmental enhancement.
- Projects which have undergone environmental assessment, possibly as part of another donor-funded project or preparations by the partner country, but further environmental action has not been clearly formulated;
- Projects providing technical assistance or training for either A category or B category projects may require consideration of environmental issues or recommendations for future environmental assessment/action.

A desk study may recommend EIA, SEA, environmental auditing, or modifications to project proposals to ensure environmental safeguards and elements to take advantage of opportunities for environmental enhancement are included.

The desk study can also recommend a change in Environment Screening Category:

- from category B to A - implying that an EIA preceded by a scoping study is required;
- from category B to C - implying that no further environment action is required.

Since a desk study may conclude that some environmental action is needed during project formulation, it must be done before a formulation mission is sent to the field.

Category C – Low environmental impact and no significant scope for opportunities for further environment enhancement

Category C projects are not expected to have either significant adverse environmental impacts, or significant scope for further environmental enhancement. Thus no further environmental action is required. See list of projects in this category.

Environmental projects, such as those aimed primarily to enhance and protect the environment, can fall into any of the three categories. Category C projects do not have any environmental risk and have been formulated to take advantage of all potential opportunities without requiring additional environment input.

Desk study

A desk study is carried out as an intermediary step when it is not evident what sort of environmental action a project proposal requires. The study will in particular deliver:

- Recommendations on *what* should be done to identify and address environmental risks and to ensure that scope for environmental enhancement is incorporated in the project proposal;
- Recommendations on *when* environmental work should be undertaken during project formulation and implementation, and follow-on work in the partner country
- Recommendations on *how* the environmental work should be carried out, including the level of expertise and resources required

Draft Terms of Reference for the proposed environmental work.

A Desk Study may conclude that a project should be re-classified as Category A or C.

Desk studies are suited for:

- Projects requiring environmental assessment but for which the potential impacts are generally less complex and easier to predict and mitigate than for Category A projects (here the desk study substitutes a field-based scoping study);
- Projects not requiring environment assessment but which could be improved with the incorporation of appropriate environmental safeguards;
- Projects unlikely to have significant adverse environmental impacts but which have potential for environmental enhancement;
- Projects which have undergone environmental assessment, but for which further environmental action has not been clearly formulated;
- Projects providing technical assistance or training related to a category A or B projects.

Incorporating environmental safeguards into the project

In some cases, the specific activities resulting from a project activity cannot be fully known at the time of project preparation. This can be the case for example for lending within a rural credit scheme. In this situation, project managers can ensure sound environmental management by adding a project component that evaluates and tackles environmental aspects as the project proceeds.

Adding components to take advantage of environmental opportunities

Many projects offer important scope for environmental enhancement in the form of for example:

- conservation or improvement of natural or built assets such as biodiversity, habitats and historical features;
- reduction of energy consumption and/ or promoting renewable energy;
- reduction of water consumption and improve water quality;
- improvement of the use of the public transport system;
- reduction of pollution noise, air, land and water;
- use of derelict land and/or former contaminated land;
- reduction of waste disposal requirements through reduced waste production or improved reuse/recycling;
- reducation and training in environmental protection or management;
- increasing awareness of environmental issues;
- improving capacity of institutions with responsibility for environmental management and protection.

Actions to take advantage of such opportunities may both enhance the environment for the project beneficiaries, thus achieving additional development benefits, and help both the EC and the partner country to meet commitments made under international environmental agreements.

Environmental Impact Assessment (EIA)

EIA is the most well known and widely used environmental tool, and most partner countries in EC co-operation activities and international donors have their own procedures for its application. EIA is used to identify, predict and evaluate the potential environmental effects of a project. It is used to decide whether a proposal should go ahead, and to identify modifications to improve project design and implementation. The process of undertaking an EIA provides a means for comparing alternative options and a focus for public participation and consultation with other stakeholder groups.

In EC development and economic cooperation, the EIA is most suitable for field- based projects with activities clearly identified in project preparation. It can provide concrete directions on how to address environmental issues in the remaining project design and implementation.

There is normally an initial scoping to identify the key issues for study in the EIA. Scoping can be carried out either as a separate study, or integrated into the overall feasibility study and subsequent planning reports for a proposed project. See environmental tools.

An EIA should be undertaken during the planning and design phases of a project. For long, complex projects, EIA can be an interactive process which assists project decision making and project design, and should involve a high degree of consultation and liaison with other on the project team. EIAs can be carried out either as a separate study, or integrated into the overall feasibility study and subsequent planning reports for a proposed project.

The EIA tool is most suitable for field-based projects with activities clearly identified in project preparation. In this situation, it can be used to assist RELEX DGs to ensure that environmental issues are addressed correctly in the project implementation and thereby contribute to the success of a project.

The EIA report will set out conclusions and recommendations for further environmental action. The EIA will normally provide a draft Environmental Management Plan (EMP) incorporating environmental issues into the contract specifications for further project design, implementation and operation. In many cases, the project contractor will be required to modify and update the draft EMP as part of the contractual obligations. The EMP indicates how the EIA recommendations can be implemented and usually incorporates mitigation measures, institutional strengthening and training and monitoring. Other plans may also be incorporated in the EIA such as resettlement and compensation plans.

For more information, see **“Environmental impact assessment”** and **“Environmental Impact Assessment (EIA)”**

Strategic Environmental Assessment (SEA)

The overall approach of Strategic Environmental Assessment (SEA) is similar to that of EIA in identifying, predicting and evaluating environmental effects. The main difference is that SEA is applied at a higher level of action than an EIA, that is for policies, plans, programmes and groups of projects where the predictions generally require broader assumptions.

In EC cooperation, SEA is usefully applied to projects concerned with partner country policies, strategies, programmes and plans, as well as to groups of projects in a sector or a region, and to projects whose structure does not allow for the identification of specific activities in the field during project preparation (process projects).

SEA is more effective than EIA in identifying and evaluating project alternatives and cumulative effects. Therefore, it is useful for selecting the most environmentally sound options. SEA provides direction for the integration of environmental considerations into downstream projects, often in the form of an Environmental Management Plan.

There are two main types of SEA - sectoral and regional. Sectoral SEAs focus primarily on a specific economic or service sector such as transport, agriculture, or industry. Regional SEAs address a defined geographical area and cover different sectors, such as land-use or development control plans and regional investment plans. See environmental tools

For more information, see **“Strategic Environmental Assessment”** and **“Strategic Environmental Assessment (SEA)”**

Environmental Audit

An environmental audit is effectively an environmental performance review, which could be applied to a site, project, or organisation. Most commonly, an audit is used to examine an existing operation such as an industrial facility and serves to facilitate better management control of operations. The audit should assess compliance with policy objectives or regulatory requirements determine potential environmental liabilities and assess performance against recognised good environmental practice or other specific criteria.

In EC cooperation, audits may be appropriate, for instance, for projects supporting sector restructuring, privatisation, or as part of a programme of support to industry. The audit highlights specific environmental risks which need to be considered in project formulation and puts forward measures to reduce risks and limit liability which may need to be included in project design. Although audits can be used as part of project preparation, in the EC context they are more likely to be part of project implementation. In this project phase, audits can be used particularly in project monitoring to check that an environmental management plan is being implemented and other contract requirements are being met. They can therefore form part of the interim project evaluation.

An audit could be required as part of project preparation, but is more likely to be part of project implementation. Typical types of environmental risk covered in an audit include:

- potential historical contamination of the site causing soil and groundwater contamination – which may incur liabilities through environmental and health effects and environmental cleanup costs;
- poor environmental practice – with risks to environment, and human health and safety;
- regulatory non-compliance – likelihood to incur fines, shut down of operation, costs to bring facilities and management into compliance; and
- future non-compliance – risks through introduction of new regulations and standards, and cost of improving facilities and management. See environmental tools.

For more information, see**“Enironmental audit”**

Environmental Management Plans

The Environmental Management Plan (EMP also referred to as environmental mitigation or monitoring plan) addresses the how, when, who, where and what of integrating environmental mitigation and monitoring measures throughout project implementation. It is a standard output from an environmental assessment or audit but may also be produced as a separate task. An EMP can help organise a range of different activities from the construction phase of infrastructure development, to the planning of institutional reform and capacity building.

Key elements to be provided in an EMP include:

- the issue and the activity required to address it;
- the person and organisation responsible for taking action;
- target date for completion or indication of phasing where such a date is too specific;
- indication of resources required for completion and where relevant actual costs;
- date and circulation details for plan to facilitate updating.

For more information, see **"Environmental Management Plan"** and **"Environmental Management Plans"**

Environmental Management Systems

An Environmental Management System (EMS) is a means of ensuring effective and ongoing implementation of an environmental management plan and compliance with environmental objectives and targets. EMS is usually applied to an operational organisation or site such as a manufacturing facility, public transport system, or waste disposal site.

An EMS can be implemented to recognised standards, such as ISO 14001 and EMAS, or designed to meet specific needs.

In EC development and economic cooperation, the establishment of an EMS may be an appropriate condition for providing financing for the rehabilitation of major industrial plants.

Setting up an EMS usually involves:

- an initial review of activities to identify the issues and to evaluate their significance;
- formulation of an environmental policy for the targeted organisation;
- commitment to continual improvement of environmental performance from the highest level of management;
- identification of relevant regulatory framework and standards;
- setting objectives and performance targets;
- compilation of an action plan to address issues and meet targets;
- production of operational procedures and identification of responsibilities followed by their implementation.

A cycle of regular reviews and audits of the performance of the system and the targets set, through amendments to the action plan, keeps the system moving towards better performance. An EMS is a management tool, which operates on a day-to-day basis and helps address the environmental concerns, prioritise actions and spending, and reduces environmental risks.

For more information, see**“Environmental Management System”** .

Complementary environmental projects

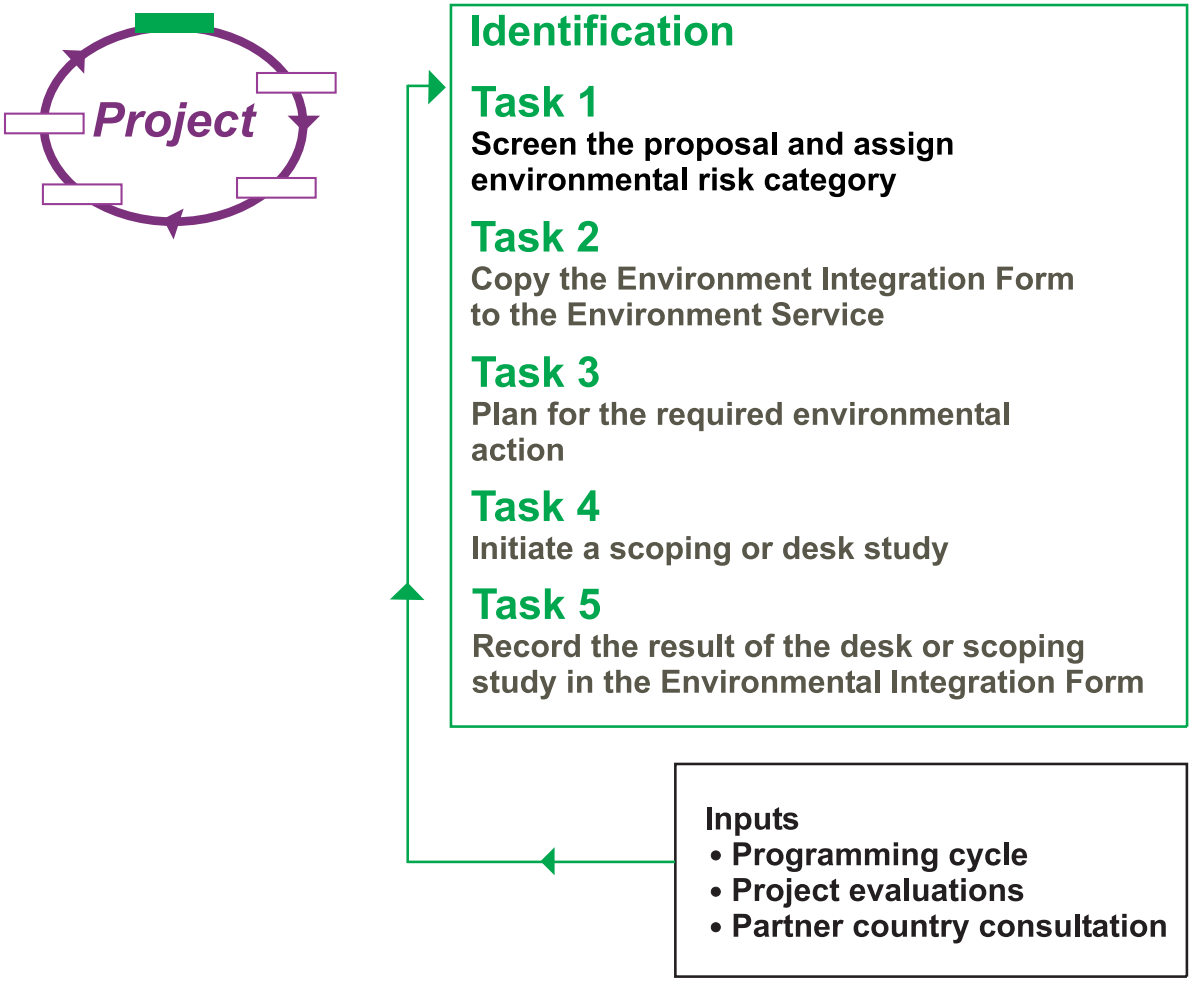
For some projects, it is appropriate to set up a parallel complementary project to ensure the environmental performance of the primary project. This could include support for better environmental management by government institutions through work on policy, legislation, institutional structures and capacity, and environmental awareness.

Complementary actions could be appropriate for example for projects involving support to private sector modernisation, where the specific enterprises to receive support will not be identified until the project is up and running. In this situation it is important to verify whether the beneficiary country has sufficient legislation and capacity to address potential environmental aspect of the primary project. If not, it can make sense to set up a complementary project which addresses the weaknesses for example by building capacity.

Care must be taken to ensure that these supporting projects are in place before the implementation of the initial project.

Project identification

Identification tasks: *Integrating environment into the project cycle*



During project identification, ideas for projects and other development actions are identified and screened for further study. This involves consultation with the intended beneficiaries of each action, an analysis of the problems, and identification of options to address these problems. A decision can then be made on the relevance of each project idea and on which ideas should be studied further during project formulation. The key environmental tasks during project identification are to determine the environmental action required to optimise the project's quality and ensure the sustainability of the project and related developments, and to plan for this action.

Tasks

The tasks below apply to the identification phase of all projects. The effort required is proportional to the likely level of environmental impacts, so that projects that do not have major environmental impacts or opportunities involve little work. The tasks must be undertaken by the Commission official responsible for the overall management of the project during identification. In carrying out these tasks, support can be obtained from the environmental services.

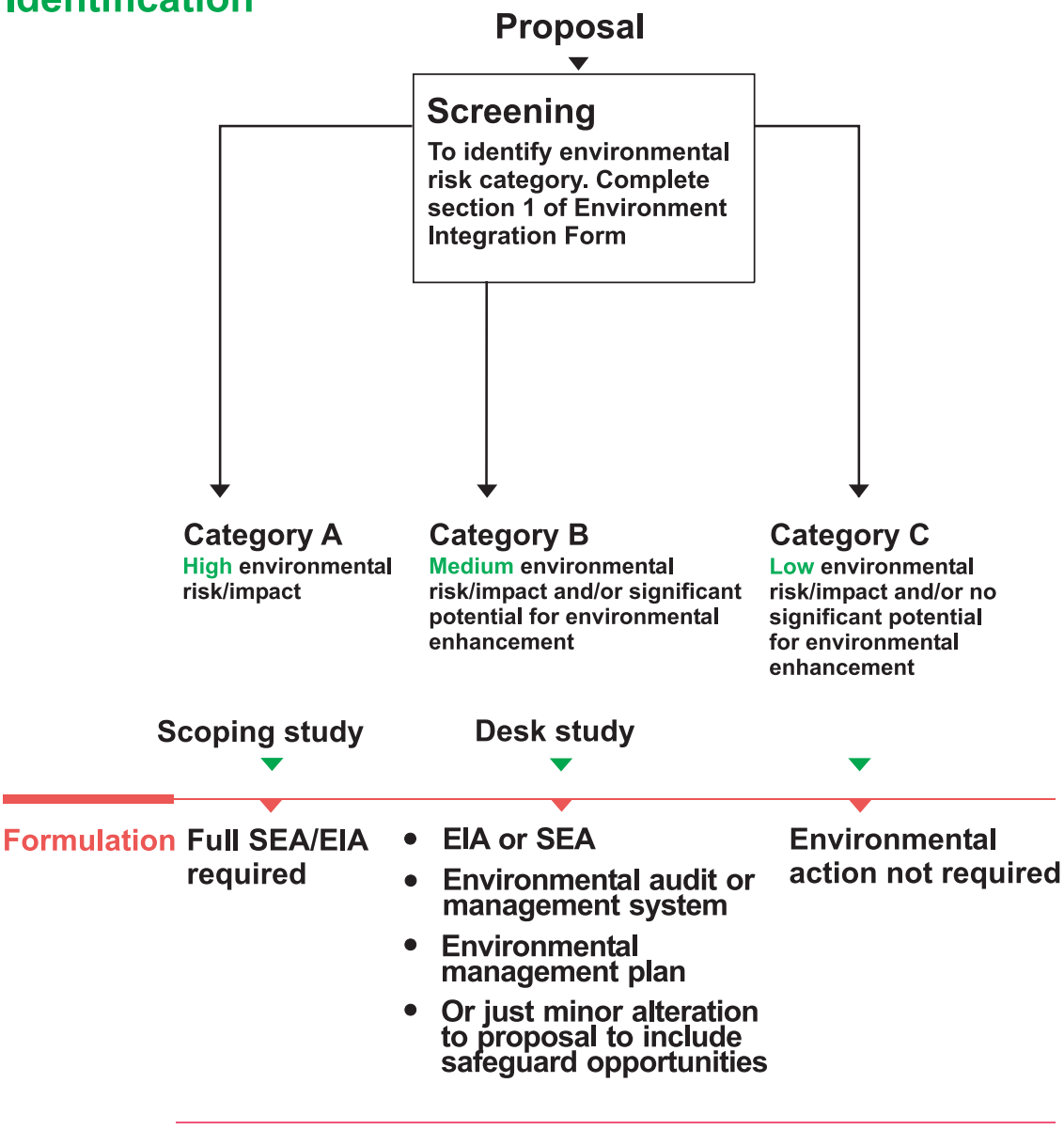
Task 1. Screen the proposal and assign environmental risk category

Every proposed project or activity must be screened and designated to category A, B or C according to the possible environmental risk and opportunity, and need for environmental assessment/action. You must do this by completing the **"Environmental Integration Form"** . It is not an arduous task and can be done quite quickly, depending on the environmental relevance of the proposed project. You need to screen the project as early as possible, preferably as soon as a project idea reaches you for action, regardless of how advanced the proposal is. Thus, all projects - concrete proposals and initial ideas – must be screened.

In completing the environmental screening section, you will be helped by the environmental considerations in upstream programming documents - the project may already have been assigned an environmental risk category. Background information can be obtained from the country environmental profile and documents relating to any review of strategic environmental issues prepared during **"Programming"** .

Options
Environment integration during project preparation

Identification



Task 2. Copy the Environment Integration Form to the environment service

A copy of the completed and signed screening section of the **"Environmental Integration Form"** needs to be sent to the environment service. If necessary, they may get back to you to discuss the screening decision and any follow-up action needed. It is crucial that you transfer the form before arranging for identification or formulation missions to the field. In some DGs, the information transfer takes place automatically as the form is incorporated into a computerised project fiche.

If the project is Category C, move to **"Project formulation"**

Task 3. Plan for the required environmental action

It is important to set aside sufficient time for the environmental assessment or the action indicated during screening, and to secure budget resources for the work.

Task 4. Initiate environmental action

Category A projects

These projects require environmental assessment. As the potential impacts are likely to be quite complex, it is necessary to prepare the assessment through a scoping study in the field. This may be carried out as a separate study (see **""**) or may be integrated in the project identification or prefeasibility mission. In both cases, the scoping study should be carried out by an environmental specialist. This specialist should make a preliminary assessment of the range and significance of the potential environmental consequences and identify key issues to be studied during the subsequent **"Strategic Environmental Assessment (SEA)"** or **"Environmental Impact Assessment (EIA)"** .

Category B projects

Projects with medium environmental impact and/or potential for environmental enhancement are classified as Category B. Projects in this category require a desk study to identify actions to safeguard or enhance the environment. The **"Desk study"** will identify the appropriate environmental actions and their timing, and prepare draft Terms of Reference for the action required. The desk study may recommend environment actions to be incorporated in the project formulation, and therefore must be carried out before a formulation mission is sent into the field.

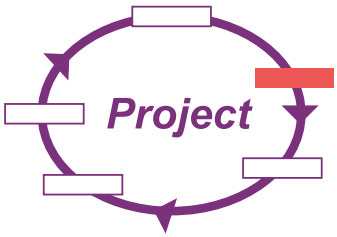
The desk study can be carried out by the environment service, a consultant or the task manager. As the task manager, you are the right person for the job, if you are familiar with the issues and the work required, or you have an example from a similar project and project area that you can follow. You may require the consultants carrying out the identification or prefeasibility study to collect background information. See **"Desk Studies for Category B Projects"** .

Task 5. Record the result of the environmental screening on the Environmental Integration Form

The results of the desk study or scoping study must be entered into Section 2 of the **"Environmental Integration Form"** .

Project formulation

Formulation tasks:
Integrating environment into the project cycle



Formulation

Task 1
Verify existing screening category or screen the project

Task 2
Initiate environmental assessment or other environmental work identified during desk study

Task 3
Review the reports from environmental assessments/actions

Task 4
Decide how the project should proceed and document the result in the Environmental Integration Form

Task 5
Integrate environmental provisions into project design documentation

Task 6
Prepare environmental annex to financing proposal

During project formulation, relevant project ideas are developed into operational project plans. Beneficiaries and other stakeholders participate in the detailed specification of the project idea that is then assessed for its feasibility (whether it is likely to succeed) and sustainability (whether it is likely to generate long-term benefits for the beneficiaries). On the basis of this assessment, a decision is made to draw up a formal project proposal and seek funding.

Formulation is the most appropriate time to undertake an environmental assessment/action and to use the results to modify and refine the project design to avoid or minimise the risk of adverse environmental impacts, and to maximise potential benefits and opportunities for enhancement.

Tasks

The tasks need to be carried in the formulation phase of all projects and must be undertaken by the Commission official responsible for the overall management of this phase. In carrying out these tasks, the official may need to consult the environmental services.

Task 1. Verify screening category or screen the project

The environmental screening category assigned during project identification must be verified during **"Project identification"** , particularly if additional information has been made available. In carrying out this task, you should refer to the programming document, the **"Environmental Integration Form"** and identification/ prefeasibility reports. The **"Desk study"** can also be used to verify the screening category. If, for any reason, the project has not been assigned a screening category during identification, you must do this now. See **"Task 1. Screen the proposal and assign environmental risk category"** in **"Project identification"** .

If the project is Category C, proceed to **"Task 6. Prepare environmental annex to financing proposal"** in Project Formulation.

Task 2. Initiate environmental work identified during the desk study

If the project is allocated to a risk category requiring an environmental assessment or other environment integration action (Category A or B), you are responsible for initiating this work, and ensuring that it is carried out with adequate Terms of Reference (ToR).

Category A projects

Category A projects require either an **"Environmental Impact Assessment (EIA)"** or **"Strategic Environmental Assessment (SEA)"** . Because of the environmental sensitivity of these projects, the ToR for this work should be prepared by the environment service or an external environmental expert consultant, using the findings of the scoping study, and any relevant legislation of the beneficiary country.

If not undertaken during project identification, then a field-based scoping study should be the first phase of the **"Environmental Impact Assessment (EIA)"** or **"Strategic Environmental Assessment (SEA)"** work undertaken. This study is needed to focus the environmental assessment by "scoping" the types of environmental impact likely to be significant and therefore requiring assessment.

Category B projects

If the **"Environmental screening"** or a **"Desk study"** during project identification indicates that your category B project requires an environmental assessment (EIA or SEA), you need to prepare Terms of Reference, using the standard format for these studies and project-specific information from the identification phase. To ensure that the ToR is sufficiently detailed and project specific, use the appropriate **"The Sector Guides cover natural resource use, infrastructure, services, production, humanitarian assistance, and economic/trade related cooperation. They are are grouped under these broad headings below and are also listed in alphabetical order in the contents menu."** and contact the environment service for assistance.

If the desk study indicates that other environmental aspects should be integrated into the Terms of Reference for formulation missions, you must ensure that this is done. This should be a straightforward task using the output from the desk study.

Task 3. Review the reports of environmental assessments/ actions

The report of the environment assessment or action must be reviewed. EIA/SEA reports for **"Category A - High environmental impact"** should be reviewed by an external environmental expert or the environmental service while EIA reports for **"Category B – Medium environmental impact and/or significant potential for environmental enhancement"** can be reviewed by task managers using the review checklist.

The review will check that:

- - the study meets the requirements of the Terms of Reference;
- - all likely significant environmental issues have been covered;
- - areas of uncertainty or insufficient information have been identified;
- - recommendations for design improvements, alternatives, mitigation and management plans have been formulated.

If the report is deemed unsatisfactory, you must take corrective action, such as requesting the consultant to elaborate more on specific aspects. The actions needed should be discussed with the Environment Service.

Task 4. Decide how the project should proceed and document the result in the Environment Integration Form

You must document your findings in Section 3 of the **"Environmental Integration Form"** and discuss the implications with your hierarchy and the partner country.

Reports on environmental assessment and other studies will have a range of recommendations, each with different implications for the project proposal and your work plan. The recommendations usually fall into one of five categories:

1. The project should proceed without any change.

2. The project should not proceed because of significant and unacceptable environmental impacts that cannot be overcome feasibly.

Significant and unacceptable environmental impacts that cannot be overcome feasibly

This is a rare situation and should be even more so if environment has been adequately integrated into programming. Should this occur, you need to notify your hierarchy about the objections and implications in order to obtain a decision to cancel the action. It will be necessary to ensure that the partner country and those responsible for parallel studies understand the objections and take account of them in order to minimise unnecessary work.

3. The project should proceed, provided that certain mitigation, enhancement and monitoring measures are carried out.

Mitigation, enhancement and monitoring measures

If the environmental assessment or another study was part of the feasibility study, it is likely that the consultants will have incorporated the findings directly into the project design. If a separate assessment was carried out, you must take a more active role to ensure that findings are incorporated into project design. Although all implications are to be discussed and agreed with the partner country, this situation will normally not delay project approval.

4. The project should proceed under the condition of parallel financing and implementation of complementary actions.

Parallel financing and implementation of complementary actions

These may be measures to strengthen the capacity of the partner country to enforce environmental control measures and influence the effectiveness of mitigation measures and overall project sustainability. If this is the case, you will need to take measures to include the complementary action in the country programme. This recommendation does not have to delay the initial project, and is becoming increasingly common.

5. The project should only proceed subject to major redesign and modifications.

Subject to major redesign and modifications

This conclusion will probably require you to adapt your work plan to address the environmental concerns. It may be necessary to send a new mission to rethink the project in consultation with the stakeholders.

Task 5. Integrate environmental provisions into project design documentation

You must incorporate the result of the environmental work undertaken during project identification and formulation in the financing agreement and its technical and administrative provisions (TAPs). This involves specifying the type and timing of any environmental work to be carried out during the lifetime of the project, including:

- additional environmental assessments
- specific studies,
- mitigation, enhancement and monitoring measures
- preparation or refinement of an environmental management plan.

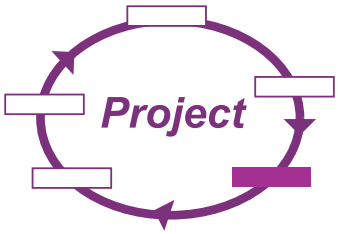
Task 6. Prepare environmental annex to financing proposal

Finally, you must ensure that environment integration actions during project identification and formulation and their results are presented in the financing proposal for the project. You should also complete Section 3 of the **"Environmental Integration Form"** , which together with Sections 1 and 2 will serve as the environmental appendix to the financing proposal.

Normally, the input to the form will be prepared by the consultants commissioned to carry out any environment integration action during project formulation, and completing the form should therefore not be a burdensome task. In addition, the standard format for the environmental assessment report includes a concise summary of findings and recommendations, which can easily be inserted as an annex to the financing proposal.

Financing

Financing tasks: *Integrating environment into the project cycle*



Financing

Task 1

Review financing proposal to ensure environmental aspects have been adequately addressed and procedures followed

During the financing, project proposals are appraised by the funding agency and a decision made whether to fund the project. The funding agency and partner country agree the modalities of implementation and formalise these in a legal document setting out the arrangements for project funding and implementation.

In the EC context, financing is also the phase when Member State Committees have the opportunity to assess and give their comments on financing proposals, including their environmental aspects.

Tasks

Once the financing proposal has been submitted, the tasks rest with the members of the committee responsible for approving the proposal.

Task 1. Respond to any queries on the environmental aspects of the proposal.

Once the financing proposal has been submitted, the role of the task manager is to present the proposal in the relevant Member State Committee and to respond to any questions that may arise. In terms of environment integration, key points of interest to Committee members forming an opinion on the proposal are:

For all projects:

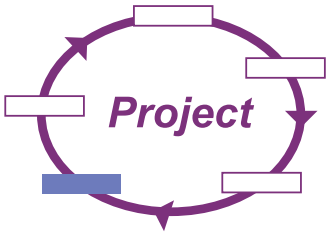
- the **"Environmental Integration Form"** has been completed;
- the project has been assigned to one of the three **"Environmental screening"** ;
- project preparation included actions appropriate to the environment category.

For projects of Category A and B, it is important that:

- information presented in the financing proposal, the Technical and Administrative Provisions and the Environment Integration Form demonstrates that the environmental issues have been addressed adequately;
- the proposal includes appropriate provisions and sets aside sufficient resources for addressing environmental issues during the subsequent implementation and monitoring stages.

Project implementation

Implementation tasks: *Integrating environment into the project cycle*



Implementation

Task 1
Review environmental documents from previous stages

Task 2
Integrate environmental provisions into tender documents and contracts

Task 3
Ensure project work plan makes adequate provision for environmental action

Task 4
Monitor the environmental aspects of the project and record the main issues in the Environmental Integration Form

Task 5
If required, implement corrective action and inform the Environment Service

In the project implementation, the project is mobilised and executed. This may require tendering and award of contracts for technical assistance, or work and supplies. During implementation, and in consultation with beneficiaries and stakeholders, project management assesses actual progress against planned progress to determine whether the project is on track towards achieving its objectives. If necessary, the project may be re-oriented, or some objectives modified in the light of significant changes since project formulation.

The key environmental tasks during project implementation are to ensure that:

- recommendations for mitigating adverse environmental impacts are implemented;
- the potential benefits identified are achieved.

This involves ensuring that the project and agreed complementary activities are monitored against criteria specified in the environmental assessment and/or environmental management plan, and that the problems identified are addressed.

Tasks

The tasks apply to the implementation phase of all projects identified as **"Category A - High environmental impact"** and **"Category B – Medium environmental impact and/or significant potential for environmental enhancement"** and must be undertaken by the Commission official responsible for the overall management of this project phase. In carrying out these tasks, the official can consult the environmental services.

Task 1. Review environmental documents from previous stages

As Task Manager responsible for project implementation, you must review the project documentation in order to verify that there is sufficient environmental information to proceed with contract tendering and project implementation. The documentation made available to you should include the completed Sections 1, 2 and 3 of the**"Environmental Integration Form"** .

For projects of **"Category A - High environmental impact"** and **"Category B – Medium environmental impact and/or significant potential for environmental enhancement"** , you should have the environmental assessment/action report, the environment review form and the financing agreement including its environmental annex and Technical and Administrative Provisions (TAPs). Any deficiencies and questions should be referred to the Task Manager.

If your project has been classified as **"Category C – Low environmental impact and no significant scope for opportunities for further environment enhancement"** , and you agree with this judgement, you can process to Task 4. If you do not agree with the classification, you can ask the environment service for advice on how to proceed.

Task 2. Integrate environmental provisions into tender documents and contracts

In finalising the tender dossier for the project, you must verify that all the environmental requirements agreed during project preparation are included in the tender documents. The environmental tasks to be undertaken by the contractor should be clearly specified.

Normally, an environmental management plan is prepared as part of the environmental assessment/action during project formulation and you need to request its implementation. If there is no environmental management plan, you must specify in the Terms of Reference that a plan is to be prepared and included in the project inception report or the first interim report. Use the **"Environmental Management Plans"** . Alternatively, the ToR can be prepared by the environment service.

Task 3. Ensure the project work plan addresses adequately environmental work

You will receive a work plan from the contractor managing project implementation. Your task is to ensure that this plan adequately incorporates the environmental requirements outlined in the financing agreement and the contract.

You need to verify whether the agreed environmental management plans have been included in the project operational plans and whether the environmental expertise foreseen is sufficient and timely to carry out the planned work. If you are unsure, you should contact the environment service.

Task 4. Monitor the environmental aspects, and record the main issues in the Environment Integration Form

When the project is up and running, you must monitor its environmental performance. You must ensure that project interim reports provide information in accordance with the environmental monitoring plan. The monitoring should help you assess:

- whether agreed mitigation measures are incorporated effectively in project design and maintained throughout the operational life and, where appropriate, the decommissioning of a project;
- whether these mitigation/management measures have the expected result;
- the actual (rather than predicted) environmental impact of the project activities;

For all projects with **"Category A - High environmental impact"** status, you must consult the environmental service to determine the need to commission an independent audit of the effective environmental impacts and effectiveness of the mitigation measures. It may be decided to make this audit part of a general interim evaluation or to conduct a separate environmental audit.

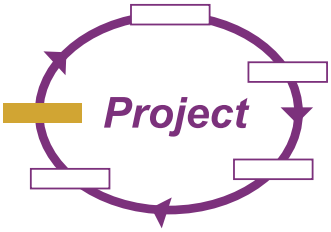
The main issues found during monitoring should be recorded in Section 4 of the environmental integration form.

Task 5. If required, implement corrective action

If significant environmental problems are brought to light during project monitoring – **Task 4. Monitor the environmental aspects, and record the main issues in the Environment Integration Form** - you need to take corrective action. These may include sending additional environmental expertise to the project to specify further environment mitigation measures. You must inform the environmental service about the problems.

Project Evaluation

Evaluation tasks: *Integrating environment into the project cycle*



Evaluation

Task 1

Ensure ToR for evaluation includes environmental aspects

Task 2

Ensure that the Environment Service reviews evaluation reports for projects of Category A

During the evaluation phase, the funding agency and partner country assess the project to identify the achievements and lessons learned. Evaluation findings are used to improve the design of future projects or programmes. Although in the generic cycle, the evaluation comes after implementation, it is common practice to conduct a mid-term evaluation during implementation to identify need for modifications to be applied during the rest the project.

Evaluations should cover the project's actual environmental impacts and the effectiveness of the environmental procedures and mitigation and management measures, and associated institutional development and training. Evaluation feedback allows for corrective action where necessary, and provides information for improving future programmes and projects.

Tasks

The tasks below apply to the evaluation phase of all projects of environmental **"Category A - High environmental impact"** and **"Category B – Medium environmental impact and/or significant potential for environmental enhancement"** . They must be undertaken by the Commission official responsible for the overall management of this project phase – generally an official in the evaluation service. In carrying out these tasks, the official can consult with the environmental service.

Task 1. Ensure ToR for evaluation includes environmental aspects

The evaluation service must ensure that the Terms of Reference for evaluation of a Category A or B project specifies environmental considerations. This should be done in close association with the environment service. For evaluation ToRs for projects with Category A status, the approval of the environment service should be obtained. The evaluation teams for these projects must include an environmental expert.

The Evaluation Unit must ensure that environmental background documents such as environmental assessment reports and financing agreement are provided with the Terms of Reference. These should be obtained from the geographical or technical official involved in project preparation and implementation.

Task 2. Ensure that the environment service reviews evaluation reports for category A projects

The environmental aspects of evaluation reports for Category A projects should be reviewed by the Environment Service or an external consultant using the review checklist attached to the Terms of Reference.