

PUBLIC

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**REGIONAL**

**SUPPORT FOR IMPROVING THE ENVIRONMENTAL ASSESSMENT SYSTEM IN  
LATIN AMERICA AND THE CARIBBEAN**

**(TC-9812055-RG)**

**PLAN OF OPERATIONS**

**AUGUST 1999**

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## **ANNEX LIST**

The following annexes are available and will be kept in the Regional Technical Cooperation Division's files:

Annex I	Terms of Reference: Coordinator of Components I and II.
Annex II	Terms of Reference: Consultants for the diagnosis of EIA application (component I).
Annex III	Terms of Reference: Workshop speakers (component I).
Annex IV	Terms of Reference: International consultants for the preparation of the Action Plan (component II).
Annex V	Terms of Reference: International consultant for the course preparation and presentation.
Annex VI	Detailed budget for components I and II.
Annex VII	Detailed budget for component III.
Annex VIII	Performance Indicators

## ABBREVIATIONS

AIDIS	Inter-American Association for Sanitary and Environmental Engineering (Asociación Interamericana de Ingeniería Sanitaria y Ambiental)
ALC	Latin American and the Caribbean (América Latina y el Caribe)
CED	Center for Development Studies (Centro de Estudios de Desarrollo)
EIA	Environmental Impact Assessment (Evaluación de Impacto Ambiental)
MIREIA	Integrated Methodology Revision of the Environmental Impact Assessment (Metodología Integrada de Revisión de la Evaluación de Impacto Ambiental)
SEIA	Environmental Impact Evaluation System (Sistema de Evaluación de Impacto Ambiental)

**SUPPORT FOR IMPROVING THE ENVIRONMENTAL ASSESSMENT SYSTEM  
IN LATIN-AMERICA AND THE CARIBBEAN**

**(TC-98-12-05-5-RG)**

**EXECUTIVE SUMMARY**

<b>APPLICANT</b>	Bank initiative	
<b>EXECUTING AGENCY:</b>	<u>Components I and II:</u> Centro de Estudios de Desarrollo (CED), Santiago (Chile). <u>Component III:</u> Asociación Interamericana de Ingeniería Sanitaria y Ambiental (AIDIS), Sao Paulo (Brazil).	
<b>BENEFICIARIES:</b>	Borrowing member countries of the Bank	
<b>FINANCING:</b>	IDB (Japan Special Fund):	US\$540.000
	Local counterpart funding:	US\$ 90.000
	Total:	US\$630.000
<b>TERMS AND CONDITIONS:</b>	<u>Components I and II</u>	
	Execution period:	8 months
	Disbursement period:	11 months
	<u>Component III</u>	
	Execution period:	16 months
	Disbursement period:	19 months
<b>SOCIAL/ENVIRONMENTAL REVIEW:</b>	The recommendations made in the course of the social and environmental review have been incorporated into the Plan of Operations.	
<b>OBJECTIVES:</b>	The objectives of this regional technical cooperation proposal are: (i) to help countries of the region to improve their use of EIA (Environmental Impact Assessment) methodologies as tools for environmental decision-making and management, so as to bring existing environmental assessment systems into line with the principles and components of the EIA process; (ii) to help enhance environmental management capacities at the national, sector level, so as to facilitate project environmental analysis, and (iii) to promote development of the EIA process as a business opportunity for the services sector.	

**DESCRIPTION:**

The project has three components:

**Component I:** Diagnosis of the use of EIA, based on a methodology for analyzing such aspects as: (i) legal framework; (ii) administrative procedures; (iii) technical documentation of environmental studies; (iv) mechanisms for citizen participation; (v) supervision and monitoring procedures for activities analyzed and approved in the EIA context.

**Component II:** Preparation of a pilot action plan in a selected country, applying the lessons learned during the diagnosis phase and proposing concrete measures to improve EIA procedures and tools in that country.

**Component III:** EIA training program, consisting of a training course and its replication in LAC, in order to strengthen the use of EIA systems, drawing upon the lessons learned from the diagnosis (component I).

**BENEFICIARIES:**

This regional technical cooperation project will provide LAC countries with basic technical guidelines for: (i) conducting an in-depth review of EIA methodologies and applications; (ii) developing instruments, recommendations and action plans to make the EIA process more effective and efficient; and (iii) promoting EIA business opportunities in the service sector. As well, the project will complement the Bank's efforts to enhance the region's environmental management capacity.

**RISKS:**

The project faces two major risks. The first relates to problems of timing in preparing diagnoses and collecting data in each country. It is expected however that with the expertise of the CED and carefully selected consultants, this risk can be mitigated.

The second risk relates to the replication of courses under the third component within a set time frame. To avoid delays in these activities, the Bank and AIDIS will place special emphasis on obtaining a commitment from beneficiaries to disseminate training.

**PROJECT ROLE IN BANK STRATEGY FOR THE REGION AND SECTOR:**

The Eighth Replenishment Report stressed the importance of strengthening environmental management institutions and applying EIA procedures in the Bank's borrowing member countries, and also highlighted the need to incorporate sociocultural aspects and public participation into the EIA process. As well, the project responds to the needs identified in the environmental and natural resource management strategies that have been adopted by senior management and considered by the Bank's Board of Executive Directors.

The project thus complies with the central mandate of the

Environment Division of the Sustainable Development Department to provide environmental education through the promotion, organization and execution of training projects in the region.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

The agreement between the Bank and CED will be for a total of US\$400,000. Disbursements will be scheduled as described in paragraph 3.18.

The agreement between the Bank and AIDIS will be for total of US\$140,000. Disbursements will be scheduled as described in paragraph 3.19.

**EXCEPTIONS TO  
BANK POLICIES:**

N/A.



## **I. BACKGROUND**

- 1.1 Environmental Impact Assessment (EIA) has been designed as a preventive management tool for identifying, analyzing, modifying and mitigating the environmental impact of policies, plans, programs, projects and activities in both the public and private sectors. As an ex-ante assessment, EIA makes it possible to anticipate and prevent environmental damage and to adjust activities to environmental standards or conditions suitable to the country.
- 1.2 In recent decades, Latin American and Caribbean (LAC) countries have begun to adopt environmental impact assessment methods as a tool for environmental analysis, quality control and preventive management. The financing of projects and the approval process in both the public and private sectors now include environmental impact assessment as a preventive measure for avoiding, reducing and mitigating environmental impacts. Academic institutions have established training programs in this area, and financial institutions require EIA as a prerequisite when considering loans. Thanks both to the insistence of investors and the demands of national legislation, environmental impact assessment activities represent growing business opportunities for important segment of the services sector in most countries of Latin America and the Caribbean.
- 1.3 Thus, in a context of increasing internationalization of the region's economies, EIA has taken on special importance in the environmental regulation of investment and in the search for environmental sustainability. EIA is a key component of environmental protection initiatives and has allowed new strategies for sustainable development to be undertaken in the region.
- 1.4 The essential aspects of the EIA process have been applied in LAC countries with varying degrees of observance, and through a wide variety of institutional and legal schemes that reflect the reality of each country. In light of this accumulated experience, and the need to maximize the potential of EIA as a tool for analysis, management and guidance in the environmental decision-making process, there is urgent need for an exhaustive review of the ways in which EIA is applied in the region.
- 1.5 This project proposes to undertake such a review, by analyzing the institutional and procedural aspects of applying EIA, assessing its impact on environmental quality and management, and analyzing the institutional strengthening requirements of the public and private sectors.

## **II OBJECTIVES**

- 2.1 The objectives of this regional technical cooperation project are:

- (i) to help countries of the region to improve their use of EIA methodologies as tools for environmental decision-making and management, so as to bring existing environmental assessment systems into line with the principles and components of the EIA process;
  - (ii) to help enhance environmental management capacities at the national, sector and local level, so as to facilitate project environmental analysis, and
  - iii) to promote development of the EIA process as a business opportunity for the services sector.
- 2.2 The project has the following specific objectives: (i) to conduct a comparative assessment of EIA application in the region, and of the experiences and results obtained, in order to measure its impact on environmental quality control and on sustainable development; (ii) to produce practical guidelines for national environmental authorities in the various levels of management and instrumental categories; and (iii) to facilitate the adoption of best practices in EIA, and the transfer of technology and environmental management techniques to government and to the private sector in LAC countries.

### **III DESCRIPTION**

#### **A. Activities**

- 3.1 The project includes the following components:
- 1. Diagnosis of the use of EIA
- 3.2 This component will consist in reviewing the political, legal and procedural instruments used in support of the Environmental Impact Assessment System (SEIA) in every country of the region. This review will include preparation and implementation of a diagnosis on the use of the EIA process and its relationship to SEIAs in the Bank's 26 borrowing countries.
- 3.3 Consultants will be hired to prepare a detailed diagnosis in each of 9 countries. These countries (three in each regional department of the Bank) will be selected to represent different levels of maturity in the EIA process, serving as a "control group" that will include countries that are well advanced in their EIA systems as well as those that are further behind. The Regional Environmental Divisions, the Country Offices and the Environment Division will assist in the selection process. In the remaining 17 countries, the appropriate government authorities will be asked to complete a questionnaire with the assistance of consultants to be hired in each country.

3.4 For the nine countries in which a detailed diagnosis is to be prepared, the review will be based on the Integrated Environmental Impact Assessment Review Methodology (MIREIA) of the CED in Chile. MIREIA requires the analysis of such aspects as: (i) the legal framework (policies, laws and regulations); (ii) administrative procedures; (iii) technical reports documenting environmental studies; (iv) criteria and methods for reviewing these reports; (v) citizen participation mechanisms; and (vi) procedures for supervising and monitoring the activities analyzed and approved in the context of EIA. Special attention will be paid to the effectiveness of the system, how it functions and what results it produces.

3.5 This component will conclude with a regional workshop, which will involve presentation of the results of the detailed diagnoses and questionnaires, the exchange of experiences among various experts, and consideration of a proposed generic action plan for improving EIA systems. The three-day workshop will be held at CED headquarters in Santiago, Chile, and will be attended by 20 experts, including the nine consultants in charge of the diagnoses and other EIA specialists from LAC countries, as well as representatives of the IDB.

## 2. Preparation of a pilot action plan

3.6 As part of the second component, a pilot action plan will be prepared for one of the nine countries in the “control group”. Drawing upon the lessons learned during the diagnosis phase, this action plan will propose concrete measures for improving SEIA procedures and tools in the selected country. It is estimated that four consultants will be needed to assist the environmental authorities of the selected country in this task.

## 3. EIA training program

3.7 The third component will consist of two training courses, one in Spanish and the other in English, for representatives of all borrowing member countries of the Bank.

3.8 The course will focus on strengthening the application of EIA systems in LAC countries, and on the environmental procedures and requirements of the IDB. Specifically, the course will cover the following topics: (i) principles of EIA and their implementation in member countries; (ii) methods for reviewing environmental analyses, by category and level of application; (iii) development of environmental management plans and strategies; and (iv) mechanisms and approaches for fostering citizen participation in EIA. The contents of the course will be refined in light of experience under the first component.

3.9 Participants will be selected from the public sector, academic and non-governmental institutions, and in particular from organizations that provide advice to government on EIA issues. As a condition of participation, each entity will undertake to replicate the training course in its home country. To this end, the project includes the preparation of technical and teaching materials and practical guides to facilitate

application of the knowledge acquired and to enable its dissemination through replication courses.

- 3.10 The design of the course will be based on experience with the training program in ecologically sustainable industrial development that was conducted in October, 1997 (ATN/SU-5701-RG) by the Asociación Interamericana de Ingeniería Sanitaria y Ambiental (AIDIS). After taking that course, participants replicated the training they had received in all 26 countries of the region.

**B. Execution**

- 3.11 This regional technical cooperation project will be executed by two different institutions: the Centro de Estudios del Desarrollo (CED), based in Santiago, Chile, and AIDIS, which has its headquarters in Sao Paulo, Brazil.
- 3.12 The diagnosis (component I) and the pilot program (component II) will be the responsibility of CED, a research and advisory center for issues relating to development policy. In the environment area, CED has contributed to training and institutional strengthening in the area of human resources, environmental diagnosis and assessment, environmental management, citizen training programs, public and private policies, and the preparation and review of environmental assessments.
- 3.13 Specifically, CED has participated in preparation of a methodology for reviewing the implementation and application of EIA, based on successful experience in Chile. That work served to identify the essential components of SEIAs in general, with an emphasis on Latin American countries. On the basis of these components, a series of research techniques was developed to produce information on the state of EIA in a given country, from the viewpoint of the key stakeholders involved in its application. These techniques will be used in preparing the diagnosis.
- 3.14 AIDIS, which will be in charge of the training course (component III), is an association representing the major professional and student organizations devoted to promoting basic sanitation. It supports the development of sanitary and environmental engineering and contributes to public health and environmental protection. AIDIS has some 32,000 associates, including engineers and many other specialists involved in environmental preservation. The association has national chapters in 23 countries of the Americas and nine countries of the Caribbean, with an executive secretariat in Sao Paulo, Brazil. Experience under the regional technical cooperation project ATN/SU-5701-RG (paragraph 3.10) has highlighted the important role of the national chapters of AIDIS in organizing replication courses.
- 3.15 The individual consultants needed to carry out the project will be hired by CED and AIDIS for their respective components, in accordance with Bank policies.

### C. Cost and financing

3.16 The total cost of the project is estimated at US\$630,000, according to the following budget:

US\$

Description		IDB (JF)	Local Counterpart Funds	TOTAL
<b>Component I</b>				<b>290,000</b>
1.1	<u>Fees</u>	<u>185,500</u>		
	. coordinator	32,000		
	. diagnoses (9)	130,500		
	. questionnaires (17)	17,000		
	. research assistant	6,000		
1.2	<u>Workshop</u>	<u>70,500</u>		
	. consultant's fees	30,500		
	. travel	40,000		
1.3	Translation and printing	<u>30,000</u>		
1.4	Communications	<u>4,000</u>		
<b>Component II</b>				<b>104,000</b>
2.	<u>Pilot Action Plan</u>	<u>74,000</u>	<u>30,000</u>	
	. consultants' and coordinators' fees	56,000		
	. travel	18,000		
	. logistical support		30,000	
<b>Component III</b>				<b>192,000</b>
3.	<u>Training course</u>	<u>132,000</u>	<u>60,000</u>	
	. consultants' fees	24,000		
	. travel	76,000		
	. training materials	32,000		
	. organization of replication courses			
			60,000	
4.	Evaluation (components I and II)	15,000		<b>15,000</b>
5.	Contingencies	29,000		<b>29,000</b>
<b>TOTAL</b>		<b>540,000</b>	<b>90,000</b>	<b>630,000</b>

- 3.17 Bank funding will be non-reimbursable, and will be drawn from the Japan Special Fund. Details of the budget are shown in annexes VI (CED) and VII (AIDIS).

**D. Disbursements**

- 3.18 Of the total IDB contribution of US\$540,000, US\$400,000 will be disbursed to CED for execution of components I and II. Disbursements will be made according to the following schedule:

20% upon approval by the Bank of: (i) terms of reference for the coordinator and the research assistant; (ii) the short-list of candidates for the position of coordinator; and (iii) the work plan (paragraph 3.21 (i))

40% upon approval by the Bank of the terms of reference for (i) the consultants responsible for the diagnoses and questionnaires, and (ii) the consultant responsible for evaluating components I and II;

30% upon approval by the Bank of the final report on component I (Paragraph 3.21 (ii))

10% upon approval by the Bank of the final report for component II (Paragraph 3.21 (iv)).

- 3.19 AIDIS will be given US\$140,000 from the IDB for execution of component III. Disbursements will be made according to the following schedule:

30% upon approval by the Bank of: (i) the work plan, and (ii) the terms of reference for the consultants to be hired to conduct the course;

50% upon approval by the Bank of the curriculum and list of participants for the course;

10% upon approval by the Bank of the report on the training course (paragraph 3.22 (i));

10% upon approval by the Bank of the final report on the replication courses (paragraph 3.22 (ii)).

- 3.20 Prior to the final disbursement, both executing agencies must justify their expenditures to date and their pending payment commitments.

**E. Reports and monitoring**

- 3.21 The CED will provide the Bank with the following reports:

- (i) A work plan for components I and II, to be submitted to the Bank within seven days after signature of the contract, and containing: (i) the activities to be performed to achieve the project's objectives, and (ii) an activities timetable.
- (ii) The final report on component I, to contain: (i) an analysis of the results of the diagnoses and questionnaires, (ii) any difficulties encountered and the way they were dealt with, and (iii) the relationship between the results obtained and those initially expected, explaining any deviation
- (iii) The final report on the experts' workshop, containing at least the following: (i) the agenda and final list of participants, and (ii) the conclusions from the deliberations.
- (iv) The final report on component II, to contain: (i) an analysis of the results obtained; (ii) any difficulties encountered and the way they were dealt with, and (iii) the pilot action plan for the selected country.

3.22 AIDIS will present the following reports to the Bank:

- (i) A report on the training course, to be delivered within 30 days after completion of the course.
- (ii) A final report due 60 days after completion of the last replication course in participating countries.

3.23 The Environment Division (SDS/ENV) will be responsible for monitoring the project, in close collaboration with the Regional Environment Divisions (EN1/2/3) and the Bank's Country Offices in Chile (components I and II) and in Brazil (component III). The Country Offices will also be responsible for project administration, including disbursements.

#### **IV BENEFITS AND RISKS**

- 4.1 This regional technical cooperation project will provide LAC countries with basic technical guidelines for: (i) conducting an in-depth review of EIA methodologies and applications; (ii) developing instruments, recommendations and action plans to make the EIA process more effective and efficient; and (iii) promoting EIA business opportunities in the service sector.
- 4.2 As well, the project will complement the Bank's efforts to enhance the region's environmental management capacity.

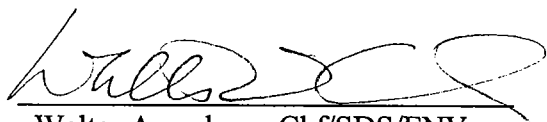
- 4.3 The project faces two major risks. The first relates to the intensive work schedule during the stage of preparing diagnoses and collecting data in each country, which is supposed to be completed in two months. It is expected however that with the expertise of the CED and carefully selected consultants this timing risk can be mitigated.
- 4.4 The second risk relates to the replication of courses under the third component within a set time frame. Under the ATN/SU-5701-RG project, beneficiary entities in some countries were slower than planned in carrying out their respective replication courses. To avoid delays in these activities, the Bank and AIDIS (which together will select participant institutions for the regional course) will place special emphasis on obtaining a commitment from beneficiaries to disseminate training through replication courses in each participating country.

## V EVALUATION

- 5.1 The project includes an external ex-post evaluation for components I and II. The consultant in charge of this evaluation will be contracted by the CED, following Bank approval of the terms of reference and the short-list of candidates.
- 5.2 Component III will be evaluated by means of questionnaires to be completed by participants in the regional course and in the national replication courses.

## VI RECOMMENDATION

Walter Arensberg, Chief of SDS/ENV recommends the approval of this Operation, and the authorization of funds from the Japan Special Fund to finance the costs of the project proposed and the approval of this Plan of Operations.

  
Walter Arensberg, Chf/SDS/ENV

6 / 22 / 99  
Date



## **VII. CERTIFICATION**

I certify that resources up to US\$540,000.00 are available in the Japan Special Fund to finance the activities described and budgeted in the present Plan of Operations.

\_\_\_\_\_  
Takeo Shinde. RE1/FSS

\_\_\_\_\_  
Date

## **VIII. APPROVAL**

Approved: \_\_\_\_\_  
Waldemar Wirsig MGR/SDS

\_\_\_\_\_  
Date

## PERFORMANCE INDICATORS

Objectives	Indicators	Means of Verification	Assumptions
<b>GOAL</b> To improve environmental management capacity and foster uniformity in the application of EIA principles in countries of the region.	Upon conclusion of the proposed process: Common language among relevant institutions in design and applying EIA process. A valid reference template for EIA, defining its content and scope. More expeditious environmental analysis..	Application of recommendations from the diagnosis.	At the regional or subregional level: a political and economic climate favorable to progress in "standardizing" the application of EIA principles.
<b>PURPOSE</b> Improve the use of EIA methodologies Enhance environmental management capacity. Develop EIA business opportunities for the service sector.	Practical guidelines for the various level of management Instruments, recommendations and action plans Use of EIA in the service sector.	EIA reports produced by the countries involved.	At the national level: Political and economic conditions that accord to environmental issues the degree of importance required by the project.
<b>RESULTS</b> <b>Component I:</b> Preparation of diagnosis and questionnaires on use of EIA systems in the Bank's 26 borrowing member countries. <b>Component II:</b> Prepare and carry out pilot action plan in a selected country. <b>Component III:</b> Conduct two EIA training courses and sponsor replication courses throughout the region.	<b>Component I:</b> Nine diagnoses prepared and 17 questionnaires completed, covering the entire region. <b>Component II:</b> An action plan prepared, with clear guidelines for implementing it. <b>Component III:</b> Courses for trainers: 30 public sector professionals trained; Replication courses: approx. 520 professionals trained.	<b>Component I:</b> Final report on the review process. <b>Component II:</b> Final report <b>Component III:</b> Report on the course for trainers. Final report on the results of the replication courses	Political consensus in each country with regard to applying the recommendations from the project.
<b>ACTIVITIES</b> Hire consultants in 9 countries to prepare diagnoses. Prepare questionnaires and hire consultants in 17 countries to help in completing the questionnaire. Organize a regional workshop Hire consultants to prepare the pilot action plan in a selected country. Organize and conduct two training and supervisory courses in preparation for the replication courses.	Budget	Budget execution.	Timely availability of suitable consultants

# MINUTES OF THE MEETING OF THE MANAGEMENT REVISION COMMITTEE

(May 13, 1999)

REGIONAL: Support for Improving the Environmental Assessment System in Latin America and the Caribbean (TC-98-12-05-5-RG).

PARTICIPANTS: Juan Manuel Corredor, Chief, INT/RTC (President)  
Helena Landazuri, RE1/EN1  
Robert Kaplan, RE2/EN2  
George Montalván, OMS  
Walter Arensberg, SDS/ENV  
Antonio Rossin, SDS/ENV  
Carlos López-Ocaña  
María Antola, SDS/ENV  
Virginia Alzina, SDS/ENV  
Kea Wollrad, INT/RTC (Secretary)

The CRG revised the document and recommended:

1. To inform the ministries responsible of the environmental topic of this project, especially in those countries in which the diagnosis will take place.
2. Prepare preliminary terms of reference for the principal consultants. These ToRs must emphasize that the project will not focus on the analysis of the EIA instruments, but in the application of these instruments (EIA systems) and the results of this process (paragraph 3.4; Annex I-IV).
3. Specify the selection criteria of the nine countries of the "control group" (paragraph 3.3).
4. Divide, for language related issues, the training of component III into two courses – one in Spanish and one in English for the Caribbean English speaking countries (paragraph 3.7).
5. To elaborate the information of the executor agency, CED (paragraph 3.13).
6. Include the logical framework (Annex VII).

(Signature)

(Signature)

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Juan Manuel Corredor  
CRG President

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Kea Wollrad  
Secretary of the CRG

STAFF REQUIREMENTS (in weeks/ human resources)			
Staff Categories and Financing Sources	Total for Approval	Execution (Annual Average)	
Administrative Budget	4	13	
Staff Central Office	3	8	
(a) Department Leader Staff	2	8	
(b) Various Departments Staff	1	-	
Representation Staff	-	2	
Consultants	1	3	
(a) administrated by Central Office	1	3	
(b) administrated by the Representation	-	-	
Other Sources	-	-	
Consultants	-	-	
<b>TOTAL</b>	<b>4</b>	<b>13</b>	
<b>Time for preparation (months or weeks)</b>			
Profile I to Draft of Operations Plan	10 weeks		