



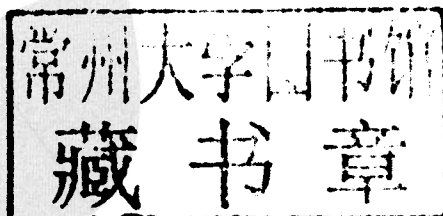
Environmental impact assessment

GUIDELINES FOR FAO FIELD PROJECTS



Environmental impact assessment

GUIDELINES FOR FAO FIELD PROJECTS



The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views of FAO.

ISBN 978-92-5-107276-9

All rights reserved. FAO encourages the reproduction and dissemination of material in this information product. Non-commercial uses will be authorized free of charge, upon request. Reproduction for resale or other commercial purposes, including educational purposes, may incur fees. Applications for permission to reproduce or disseminate FAO copyright materials, and all queries concerning rights and licences, should be addressed by e-mail to copyright@fao.org or to the Chief, Publishing Policy and Support Branch, Office of Knowledge Exchange, Research and Extension, FAO, Viale delle Terme di Caracalla, 00153 Rome, Italy.

Acronyms

BH	Budget holder
CD	Capacity Development
CBD	Convention on Biological Diversity
EA	Environmental Analysis
EIA	Environmental Impact Assessment
EIA-TF	Environmental Impact Assessment Task Force
EMP	Environmental Management Plan
ES	Economic and Social Development Department
ESRF	Environmental and Social Review Form
FAO	Food and Agriculture Organization of the United Nations
FAOR	FAO Representative
FBO	Farmer-Based Organization
IER	Initial Environmental Review
IPNS	Integrated Plan Nutrition System
IPP	Indigenous Peoples Plan
IPPC	Plant Protection Convention
ITR	Interdisciplinary Technical Review
LTO	Lead Technical Officer
LTU	Lead Technical Unit
M&E	Monitoring and Evaluation
MDT	Multi-disciplinary team (FAO Regional/Subregional representations)
NRC	Environment, Climate Change and Bioenergy Division
OEKC	Knowledge and Capacity for Development
PAC	Project Appraisal Committee
PCR	Polymerase Chain Reaction
PPRC	Programme and Project Review Committee
PTF	Project Task Force
RBM	Results-Based Management
SPD	Standard Project Document
TCDM	Field Programme Coordination and Results-Based Monitoring
WOCAT	World Overview of Conservation Approaches and Technologies

Acknowledgements

An initial version of Environmental Impact Assessment (EIA) Guidelines for FAO Field Projects was prepared by Jeff Tschirley and Patrick Duffy. In early 2009, an Inter-Departmental Task Force was constituted for finalization of corporate guidelines. The Task Force was comprised of Moujahed Achouri, Uwe Barg, David Colbert, Linda Collette, Mark Davis, Alemneh Dejene, Random Dubois, Pierre Gerber, Irene Hoffmann, Katia Medeiros, Freddy Nachtergaele, Diego Recalde and Doris Soto. Work was also supported by: Olga Abramova, Jan Van Amerongen, Aziz Arya, Stefania Battistelli, Sally Berman, Letizia Cuzzo, Kuena Morebotsane, Sibyl Nelson and Nicolas Tremblay.

Led by the Technical Cooperation Department (Field Programme Coordination and Results-Based Monitoring unit-TCDM) the Task Force reviewed successive drafts, while various ideas and comments were incorporated by David Colbert. This process was completed in October 2010.

The resulting draft EIA Guidelines were brought to the attention of the Deputy-Director General for Operations (DDG-O) and senior managers of the Technical Cooperation (TC) and Natural Resources Management and Environment (NR) Departments. Based on their feedback, this revised version was produced under the aegis of Alemneh Dejene (NR) and Diego Recalde (TC).

All contributions to this extensive consultative process towards developing corporate EIA Guidelines for FAO Field Projects are gratefully acknowledged.

table of

CONTENTS

ACRONYMS	III	ANNEX 2: SAMPLE FORMS	27
		Environmental and Social Review Form	27
ACKNOWLEDGEMENTS	IV	Environmental Screening for Category A & B projects	28
		Scoping for Category A projects	31
CHAPTER 1: INTRODUCTION	1		
1.1 Purpose	1	ANNEX 3: BASIC POLICY REQUIREMENTS FOR FIELD PROJECTS	32
1.2 Operational context	2	3.1 Agriculture	32
1.3 Policy context	2	3.2 Biodiversity	33
		3.3 Fisheries and aquaculture	33
CHAPTER 2: THE EIA PROCESS	4	3.4 Forestry	34
2.1 Overview	4	3.5 Livestock and animal husbandry	34
2.2 Environmental Categories	4	3.6 Fertilizers	35
2.3 Steps of the EIA Process in FAO	9	3.7 Pesticides	35
2.4 Roles and responsibilities	13	3.8 Water development	36
2.5 EIA in FAO's project cycle	14	3.9 Socio-economic dimensions	37
		3.10 Gender considerations	38
CHAPTER 3: EIA REPORTS	17		
3.1 Category A projects (significant impacts)	17	ANNEX 4: ENVIRONMENTAL REVIEW IN THE FAO PROJECT CYCLE	39
3.2 Category B projects (less significant impacts)	17		
3.3 Category C projects (minimal or no adverse impacts)	18	ANNEX 5: OUTLINE FOR THE CATEGORY A EIA REPORT	41
SOURCES AND LINKS	19	ANNEX 6: AN INITIAL CAPACITY ASSESSMENT AS PART OF ENVIRONMENTAL SCOPING (if required)	43
ANNEX 1: GOVERNING PRINCIPLES	21		
		AMENDMENTS TO THE GUIDELINES	44

CHAPTER 1

INTRODUCTION

1.1 PURPOSE

This publication provides guidelines for all FAO units (headquarters departments and offices, as well as decentralized offices) to undertake environmental impact assessments (EIA) of field projects. The use of these guidelines apply to all FAO field projects and activities¹, as further specified in the sections below, requiring implications to be fully considered early in the planning process (and all the more so prior to taking final decisions) so as to avoid significant negative impacts of environmental or associated social nature.

EIA is a tool for decision-makers to identify potential environmental impacts of proposed projects, to evaluate alternative approaches, and to design and incorporate appropriate prevention, mitigation, management and monitoring measures. Environmental impact assessment cannot be divorced from social impact of the project, hence the latter is considered as a key dimension of the EIA process. Examples of these close interactions can be found in the context of land tenure and rights, rural livelihoods, and traditional practices. EIA is also expected to help ensuring protection, maintenance and rehabilitation of natural habitats and their functions in the context of FAO's field projects and policy dialogue with countries.

Environmental Assessment may be quite complex, especially if applying to broad policies and large sector programmes. Nevertheless most FAO projects may not require a fully-fledged EIA and may be reviewed with limited analytical effort. Still, they will need to undergo the screening procedures described under the present guidelines. Where significant potential negative impacts or areas of serious public concern are foreseen, a more detailed EIA will need to be prepared, including full technical justifications and public exposure.

The present publication covers:

- guidance to FAO staff on the application of EIA to field projects;
- procedures to be used in formulating and screening projects;
- FAO's standards for related documenting and reporting formats;
- roles and responsibilities in conducting EIA to ensure effective implementation.

¹ Excluding Telefood and FAO projects with budgets under US\$100 000.

1.2 OPERATIONAL CONTEXT

Environmental and related social implications of project actions should be considered as early as possible in the FAO project cycle. The EIA procedures contemplate a self-assessment process followed by an independent review of the documentation by the **Project Appraisal Committee (PAC)**. In monitoring compliance with the present guidelines, the PAC assures the quality of the EIAs. As the main project formulator, the **Lead Technical Officer (LTO)** in the applicable department/division/unit takes action to ensure that environmental and social impacts of all proposed projects/activities are investigated and more generally that they reflect best practices, lessons learned, and other available technical knowledge.

The EIA shall address both positive and negative potential environmental impacts of the given project, any related social implications, as well as eventual transboundary effects. EIA evaluates a project's potential environmental and social risks and impacts in its area of influence. The FAO EIA procedures do not substitute for specific environmental assessment requirements that countries/ resource partners may request to be met. Should a project be subject to such external procedures, the latter may be adhered to, so long as they involve levels of analysis that are similar to, or more stringent than those of FAO. The decision whether these mandatory external procedures are adequate will be made by the EIA Task Force.

1.3 POLICY CONTEXT

Objectives

The EIA guidelines are consistent with FAO's Vision, Goals and Strategic Objectives, as set out in the FAO Strategic Framework 2010–2019, adopted by the Conference in November, 2009. In effect, environmental protection and sustainability principles permeate most of the approved Strategic Objectives of the Organization. While not cast in stone and subject to modification over time, for ease of reference the current Strategic Objectives are reproduced in the following Box 1. This firm anchoring in corporate policy tenets of sustainability and environmental protection is certainly a positive characteristic of FAO's project portfolio.

Governing principles

Building on these corporate Strategic Objectives and the practical experience FAO has gained over the years in managing field operations in agriculture and rural development, fisheries, forestry, and natural resources management, the EIA process is also to be consistent with a number of principles, as described in Annex 1.

BOX 1. FAO'S VISION, GOALS, AND STRATEGIC OBJECTIVES

Vision

FAO's vision is of a world free of hunger and malnutrition where food and agriculture contribute to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner.

Global Goals of Members

To foster the achievement of this vision and of the Millennium Development Goals, FAO will promote the continuing contribution of food and sustainable agriculture to the attainment of these three global goals:

- a) Reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which all people at all times have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.
- b) Elimination of poverty and the driving forward of economic and social progress for all with increased food production, enhanced rural development and sustainable livelihoods.
- c) Sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources, for the benefit of present and future generations.

Strategic Objectives

- A. Sustainable intensification of crop production.
- B. Increased sustainable livestock production.
- C. Sustainable management and use of fisheries and aquaculture resources.
- D. Improved quality and safety of food at all stages of the food chain.
- E. Sustainable management of forests and trees.
- F. Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture.
- G. Enabling environment for markets to improve livelihoods and rural development.
- H. Improved food security and better nutrition.
- I. Improved preparedness for, and effective response to, food and agricultural threats and emergencies.
- K. Gender equity in access to resources, goods, services and decision-making in the rural areas.
- L. Increased and more effective public and private investment in agriculture and rural development.

CHAPTER 2

THE EIA PROCESS

2.1 OPERATIONAL CONTEXT

The present EIA guidelines seek to institutionalize a systematic review process in FAO's project cycle. In practice, this means that the Lead Technical Officer (LTO), whether in headquarters, a regional or sub regional office, or a country representation, will ensure that each project is subjected to an **initial environmental review** (IER). This will determine the potential positive and negative environmental and social impacts that may arise from project implementation. EIA guidelines will be applied at regional/ sectoral level if project is likely to have regional or sectoral impacts, particularly in case of cumulative impacts. This responsibility rests with the initiating unit and cannot be delegated, although relevant advice and information may be obtained from other sources.

Based on this **initial environmental review**, the next step is for the LTO to select an **environmental category** for the project, depending on the nature and severity of the identified potential environmental and social impacts. The chosen category will dictate whether any **additional environmental and/or social analysis or impact assessment** will be required before project approval and implementation. Any additional work of this nature necessarily entails a phase of **public consultation** during preparation and **public disclosure** of the assessment documentation, particularly for **Category A** projects. This is further explained in section 2.3 below.

The PAC will formally revise the application of EIA procedures to ensure quality and consistency across the organization. The PAC will need to endorse the category assigned to each project, and clear any analysis or EIA documentation prepared. Meanwhile, the LTO will be responsible for implementation of **any actions or measures** recommended in the environmental analysis or the EIA. The LTO will also carry out **monitoring and evaluation (M&E) activities of project impacts**, and pay attention to the **development of adequate capacity** in local institutions to ensure long-term environmental and social sustainability.

2.2 ENVIRONMENTAL CATEGORIES

FAO's work and mandates including environmental activities are highly specialized and count with a wide base of internal expertise and global standards and policies which normally are agreed with member countries. FAO's well-known normative work is also closely related to the EIA best practices.

Based on the of the project or activity, the selection of the **environmental category** is predicated on the nature and severity of potential environmental and social impacts. As indicated in **Table 1** below, there are three environmental categories for field operations, labeled A, B and C.

The category assigned to a project or activity will determine whether additional environmental or social analyses will be required. These analyses should normally aim at about the same level of detail as other project preparation studies.

It should be highlighted that FAO does not support projects that involve significant

conversion/modification or degradation of critical natural habitats, including those habitats that are: legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, or so recognized (i.e. private properties), as well as projects that may cause an involuntary resettlement of populations.

Table 1. Environmental categories for FAO field projects

Environmental Category	Environmental and Social Impacts	Environmental Analysis or Assessment Required
Category A	Significant, or irreversible adverse impacts	Mandatory environmental impact assessment
Category B	Less significant adverse impacts that may be easily prevented or mitigated	Environmental analysis to identify more precisely potential negative impacts
Category C ²	Minimal or no adverse impacts	No further environmental and/ or social analysis or assessment required

The three environmental categories are explained in more detail below.

Category A

Category A projects may involve significant, cumulative or even potentially irreversible negative environmental impacts or risks. Typically, such projects may include planned interventions that may change existing land and/or water uses, open up new lands, disturb natural habitat needed for maintaining biodiversity, involve significant expansion of industry, introduce water impoundment schemes, promote the use of agrochemicals, or require the acquisition of land and/or resettlement of local populations. Initially classified Category B projects may be “upgraded” to Category A in the event that impacts or the

ability to mitigate them are unknown, thus requiring further study and a detailed assessment.

The significant negative effects may extend to the social arena and beyond the boundaries of the project site. Such projects automatically require an EIA so as to ensure that the negative impacts are properly analyzed and that stakeholders are consulted. The EIA also assesses feasible alternatives (including a “without project” scenario), and makes recommendations to prevent, minimize or mitigate adverse impacts. Analysis of alternatives includes assessment of recurrent costs, suitability, training and monitoring requirements. Supportive tools commonly include interactive matrices, map overlays, checklists, and participatory

² Most FAO projects will fall under Category C.

appraisal. The LTO may rely on internal expertise (i.e. technical support from other FAO units) or external independent advice for this purpose.

At a minimum, Category A projects require a site visit by an independent qualified environmental and social assessment expert or a team of such experts, as independent advisory panels – required only for highly risky projects – during EIA preparation and implementation. In the context of the EIA, an **environmental management plan** (EMP) must be produced, describing the proposed mitigation measures and preventive actions to be taken during the various phases of the project life and to ensure that risks are effectively mitigated and/or reduced to acceptable levels. The EMP will also specify the environmental or social monitoring arrangements during project implementation (which may result in further adaptive management measures being applied) and any capacity development necessary to support these measures. Participatory plans will be also elaborated in order to ensure an inclusive approach of all affected groups.

Moreover in the context of the EIA an **Indigenous Peoples Plan (IPP)** will be formulated and monitored by qualified professionals in consultation with stakeholders and the communities. The draft IPP will be disclosed in timely manner, before appraisal formally begins. The mentioned plan must include specific measures in order to monitor the benefits/risks affecting the indigenous peoples and to create specific mitigation actions, culturally appropriate benefits/compensation, and includes grievance, M&E and budget arrangements. Full consideration will be given to options preferred by the affected indigenous peoples in the provision of benefits and design of the mentioned mitigation measures.

In reacting to the EIA presented for a Category A project, the PAC may recommend non-approval of the project, or alternative measures to prevent, reduce or mitigate risks.

An indicative list of projects that would normally be assigned to Category A is provided in Box 2. This list may be periodically updated based on experience or specific geographic requirements. It is worth re-emphasizing that, based on experience, only a small share of FAO's projects would normally be assigned to Category A.

BOX 2. INDICATIVE LIST OF TYPES OF PROJECTS UNDER CATEGORY A

1. Large-scale agro-industry projects³; shifts to intensive production technologies.
2. Large-scale land reclamation.
3. Provision of high levels of external inputs (fertilizers, pesticides, etc).
4. Large-scale afforestation/reforestation, including logging operations, use of mangroves and wetlands.
5. Forest industry operations, such as sawmills and pulp and paper mills.

³ The present document considers as medium-scale projects those with budgets in the US\$500 000–2 000 000 range and as large-scale projects those with budget higher than US\$2 000 000.

6. Water impoundments, drainage or irrigation schemes of medium and large scale, including groundwater development.
7. Reclamation and new land development, including land leveling for agriculture, and large scale resettlement.
8. Large-scale livestock husbandry, including pastoral and industrial operations, such as feed lots.
9. River basin development projects.
10. Commercial fisheries development; large scale aquaculture/mariculture.
11. New introductions of non-native species, including plants, insects, and animals, including GMO.
12. Large agricultural mechanization programmes.
13. Land resettlement schemes (planned and unplanned).
14. Large scale coastal development projects.
15. Resettlement of local populations.
16. Projects that may have potentially significant adverse impacts on physical cultural resources (as defined in Annex 1).

Category B

Category B projects should not entail significant (or potentially irreversible) negative environmental (and associated social) impacts, but may still have adverse effects which can be mitigated with suitable preventive actions. Category B projects do not require a full EIA but will **require further deepening of environmental or social considerations**, depending on the expected magnitude of risks. In many cases, the analysis would aim at gathering additional information in sufficient detail so as to be able to discuss concretely how risks could be addressed and minimized (and possibly eliminated) in the project design. Attention must be paid also to appropriate monitoring requirements during project implementation. The scope of analytical work may vary from a detailed study of a specific project component to routine checks to ensure that the project design conforms to FAO's governing principles (see Annex 1).

An indicative list of projects that would normally be assigned to Category B is given in Box 3. Like the previous Category A list, it may be periodically updated based on experience or specific geographic requirements. In some cases, if a project initially identified as Category B is related to a particularly fragile or sensitive ecosystem, if the ability to mitigate potential impacts cannot be readily assessed or if the effects may be unknown or unacceptable, further analysis will be required and the project may be re-assigned to Category A, involving a greater level of analytical effort.

Should an emergency project fall in the "B" category, specific justification could be provided to support request for a waiver of the environmental analysis process. It is fully understood that decision to waive the process should be based on very compelling arguments (i.e. "life-saving") and independently evaluated by the EIA Task Force. This is an exceptional procedure.

BOX 3. INDICATIVE LIST OF TYPES OF PROJECTS UNDER CATEGORY B

1. Agro-industry projects of small and medium scale.
2. Water impoundment, irrigation and drainage schemes of small scale.
3. Small and medium-scale agricultural and animal husbandry production schemes which involve the use of “exogenous” technology and/or inputs (i.e. cultivation or animal husbandry techniques, agricultural or post-harvest machinery, disease and pest control, seeds, fertilizer, and tools that are not commonly used/traded in the project area).
4. Watershed management or rehabilitation, river basin management planning, international water management, and agreements for medium-size projects.
5. Range and pasture management and livestock management, including waste control and livestock health aspects.
6. Small and medium-size aquaculture, including small and medium-scale industrial and artisanal fisheries.
7. Limited bioenergy projects.
8. Climate change adaptation projects.
9. Small and medium-size plantations for bioenergy or pulp or other agricultural use.
10. Reforestation/afforestation.
11. Forest industry development including industrial and community uses.
12. Introduction of genetically modified organisms.
13. Small and medium-size road construction, maintenance and rehabilitation.
14. Significant changes in plant and animal gene pool.
15. Land use changes affecting biodiversity.
16. Projects that may have potentially minor adverse impacts on physical cultural resources (as defined in Annex 1).

Category C

Category C projects should have minimal or no potential negative environmental (or social) impacts, either individually or cumulatively.

They should not be controversial in terms of the interests of key stakeholders. As such, they **do not require further analysis or impact assessment**.

Ranking under Category C is to be certified by the LTO who can proceed to final design and implementation phases.

An indicative list of projects for Category C is provided in Box 4, which will also be periodically updated, based on experience.

BOX 4. INDICATIVE LIST OF TYPES OF PROJECTS UNDER CATEGORY C

1. Natural resource assessments and monitoring.
2. Environmental and sustainable development analysis.
3. Monitoring and evaluation exercises.
4. Desk studies, workshops, meetings.
5. Scientific research and field surveys. (However, certain field research activities which may involve agrochemicals and biotechnologies may be classified as Category B.)
6. Research and extension in agriculture, forestry and fisheries.
7. Remote sensing and geospatial analysis.
8. Capacity development, communication and outreach programmes, including training.
9. Minor construction activities and maintenance of installations.
10. Institutional development, including norms and standards.
11. Health and education programmes.
12. Micro-credit programmes/projects.
13. Support to the development of income-generating activities at household or Farmer-Based Organization (FBO) level (i.e. small-scale “cottage industries”).
14. Distribution – to vulnerable or disaster-affected households – of agricultural inputs (seeds, fertilizer, tools, small livestock) that are already known by the target groups and which are available locally.

2.3 STEPS OF THE EIA PROCESS IN FAO

There may be cases where onward funding will occur in a project (i.e. financial resources that pass directly to a third party to implement activities still to be defined in detail). In such cases, the onward funding will be subject to the same procedures that would normally be applied during the assessment and implementation phase. Significant impacts and proposed preventive actions and mitigation measures should be identified. In cases where sufficient information is not available, provision should be made to review the proposed uses of the onward funding when it is eventually defined.

Considerable literature exists on environmental assessment, with a wide range of terminologies. In the context of FAO's field work, it may be useful to see the EIA process in terms of three, relatively straightforward steps.

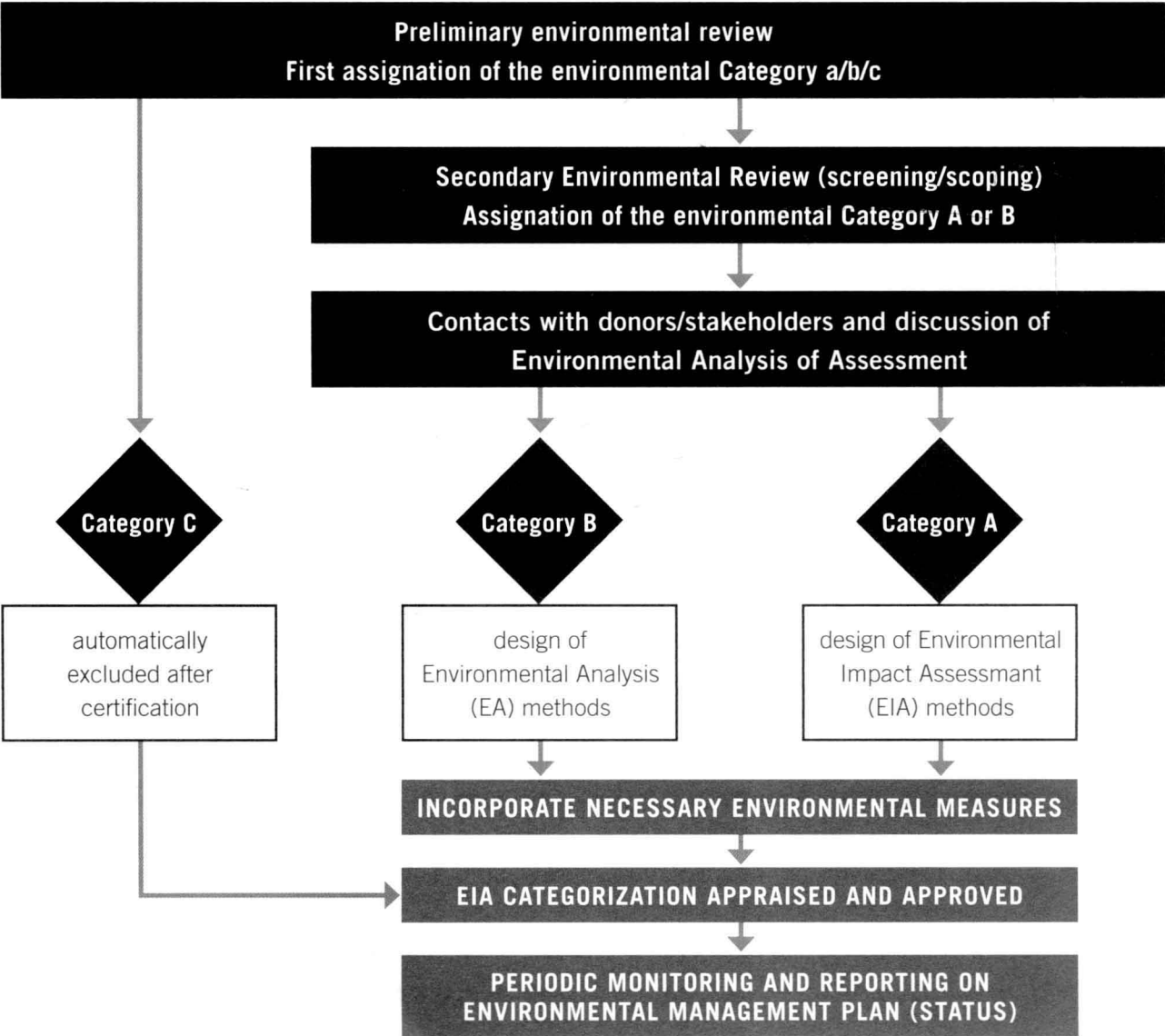
The EA process begins with the initial **environmental review** conducted through a “Decision Tree” approach, which will allow exempting **Category C** from further analysis. It is followed by a more thorough **environmental screening** to identify whether the project falls under **Category A** or **B**, while the third step is

called **environmental scoping**, defining the nature of any further **environmental analysis** or fully-fledged **EIA** to be performed. The three steps are depicted in **Figure 1**, and explained in further detail below.

Step 1: The **initial environmental review (IER)** takes place as early as possible when a project concept or proposal is identified. The environmental review step allows for **Category C** projects to be identified and excluded at this stage. The project proposal

should, however, be sufficiently developed to identify an initial list of environmental and social issues, potential negative impacts and key stakeholders. The initial environmental **review** greatly facilitates the further project planning process. The results of the review are documented in the **Environmental and Social Review Form (ESRF)**. This must be reviewed and approved by the PAC before the project can proceed to financing and implementation. The standard format for the **ESRF** is provided in Annex 2.

Figure 1. Overview of the EIA process



Step 2: Environmental screening is the systematic assessment and documentation of the potential environmental and socioeconomic impacts (negative but also positive) of a proposed **Category A** or **B** project. This should in effect determine if the project is to fall under **Category A** or **B**, hence whether to carry out further **environmental** analysis or an EIA, and at what level of effort.

Positive/ negative outcomes can be identified by using the checklists on *basic policy requirements for field projects* contained in Annex 3. Negative environmental factors which may affect the project outcome should be adequately described. Both direct impacts and indirect impacts will be addressed, as well as relevant trans-boundary issues, or any onward funding that may be planned. These basic requirements will aid the LTO in screening the project under consideration for environmental and social impacts of potential concern and ultimately in determining the environmental category to assign to the project.

The checklist is organized by main sector or discipline pertinent to FAO's mandate, e.g. agriculture, biodiversity, fisheries and aquaculture, forestry, livestock and animal husbandry, fertilizers, pesticides, water development, socio-economic dimensions and gender. FAO will employ the EIA procedures to ensure adherence to relevant international environmental treaties and agreements.

The screening process can lead to a variety of outcomes, as illustrated below:

- Negative effects are identified but can be prevented or mitigated using known best practices and design features which conform to existing legislation and regulations. The project is rated as **Category B**, and is further reviewed by

the LTO in the field office or in headquarters, who proceeds with the design of prevention, mitigation and monitoring measures identified and recorded.

- Potentially adverse effects are not fully known. Hence, the project needs further study until a decision can be made. It may be assigned to **Category B** and an environmental analysis will be prepared. The same will apply to cases where the local ability to avoid or mitigate significant negative effects is yet unknown.
- Potential adverse impacts are significant, according to criteria developed by FAO, other international organizations or national authorities themselves. The project is to be assigned to **Category A** and an EIA will be prepared. The same will apply to known cases of significant public concern about negative environmental effects.
- The project falls *a priori* under Category A as determined from the list above and will undergo an EIA.
- The project entails potentially adverse environmental risks and impacts that are considered unacceptable. The project needs to be significantly modified and re-screened. Failing satisfactory options for preventing or mitigating negative impacts, the project may be abandoned.

It is important to highlight that projects under the categories A and B require field work and resources that must be clearly specified and included in the budget by project formulators.

Step 3: Environmental scoping applies to both **Category A** and **B** projects. It seeks to determine the most important issues, problems, and