USAID Environmental Procedures applied to Subgrant or “Umbrella” projects
What are “umbrella” projects?

- Umbrella projects fund a number of small-scale activities via SUBGRANTS
  - Typically, PVOs or NGOs receive money from USAID and give sub-grants to other organizations
  - Umbrella projects are often used to:
    - Implement community-driven development
    - Fund micro and small-enterprise projects
“Umbrella” projects & Reg. 216

- Sub-activities often not defined when the umbrella project is proposed

  This poses difficulties for the usual Reg. 216 process

  - If activities are not defined, they receive a DEFERRAL in the IEE process
    - Under a deferral, funds cannot be committed
  - EACH sub-activity would require an IEE amendment → very time-consuming!
The “umbrella” IEE—an alternative to deferrals

- The umbrella IEE is an alternative to deferrals for sub-activities:
  - An umbrella IEE sets out a NEGATIVE DETERMINATION WITH CONDITIONS for undefined sub-activities
  - The primary condition is that subgrants are subject to environmental review and documentation
  - This is called “subgrant environmental review”
Subgrant environmental review: an overview

- The PVO completes *environmental review forms* (ERF) for the sub-projects as they are defined.
- The ERF guides the applicant through a SCREENING PROCESS.
  - This process is SIMILAR to the Reg. 216 Screening process.
  - However, it is SIMPLIFIED and CUSTOMIZED to the umbrella project.
Subgrant environmental review: an overview

- The screening process indicates if an *environmental review report* (ER) is necessary
- An ER is similar to an IEE, EXCEPT:
  - the ER is typically shorter
  - The ER does not use Reg 216 terminology
Using an ERF for subgrant environmental review

NOTE:
There is no one model of an ERF. The example used here is found on pg G-13 of the EPTM.

◊ STEP 1:
Provide basic information about the proposed activity and the applicant
Using an ERF for subgrant environmental review, cont'd

◊ **STEP 2:**
List all proposed activities.
  • Include all phases & ancillary activities

◊ **STEP 3a—SCREENING:**
Identify very low-risk and very high-risk activities.
  • Do this by comparing proposed activities to a “low-risk” and “high-risk” list.
    ➔ Lists are based on Reg 216 & other directives
Using an ERF for subgrant environmental review, cont’d

◊ STEP 3b—SCREENING:
Identify activities of *moderate* or *unknown* risk.

• All activities that are not “high-risk” or “very low-risk” are considered to be of “moderate or unknown risk”
Using an ERF for subgrant environmental review, cont’d

STEP 4
Determine whether you will write an Environmental Review Report (ER)

- If ALL proposed activities are “very low-risk,” then no ER is necessary
- If ANY activities are “high risk” or “moderate/unknown risk,” an ER must be prepared
STEP 5
Write the ER, if required (~3 pgs)

A. Summary of Proposal
B. Description of Activities
C. Environmental situation and host country requirements (BASELINE INFORMATION)
D. Evaluation of Environmental Impact Potential
E. Environmental Mitigation Actions (including monitoring)
F. Other information (maps, sketches, etc)
Using an ERF for subgrant environmental review, cont’d

◊ STEP 6
Based on the ER, recommend a determination for EACH “high risk” or “moderate/unknown” risk activity:

• 3 possible determinations:
  ➔ No significant adverse impacts
  ➔ No significant adverse impacts, given specified mitigation and monitoring.
  ➔ Significant adverse impacts
Using an ERF for subgrant environmental review, cont’d

✧ STEP 7
Summarize recommended determinations

✧ STEP 8:
Sign certifications

✧ STEP 9:
Attach ER (if any) and submit.
ERF Approval Authority

 Approval authority depends on:
  - Screening outcomes
  - Recommended determinations

 When screening determines that ALL activities are “very low risk,” the USAID Mission can approve the ERF.
  - This is different from the IEE, which requires USAID/Washington approval.
ERF Approval Authority, cont’d

- In other cases:

<table>
<thead>
<tr>
<th>Screening outcome</th>
<th>Recommended Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate or unknown risk*</td>
<td>No significant adverse impacts</td>
</tr>
<tr>
<td>MISSION*</td>
<td>MISSION*</td>
</tr>
</tbody>
</table>

| High Risk | Unlikely to be a proper determination | MISSION + REO/BEO | MISSION + REO/BEO | REQUIRES EA. MISSION MUST INVOLVE REO/BEO |

*however, if the activity is of a new type, the mission should involve the BEO/REO.
Responsibilities of the applicant

- Mitigation and monitoring conditions specified in the ER are binding conditions and must be followed.
- All other certification conditions are also binding and must be followed.
- Compliance will be confirmed by monitoring and on-site inspections.
Phase 1: Initial inquiries

Understanding the project:
- part 1. Understand *why* the project is being undertaken

  why a road?

  why a dam?

  ➔ Answering ‘why?’ helps frame alternatives