

***USAID Bureau for Latin American and Caribbean (LAC)***

***Annotated Outline for***

1. ***Request for Categorical Exclusions***
2. ***Initial Environmental Examinations***

*Note: Normally the Activity Manager or the Contracting/Agreement Officer Representative (COR/AOR) is responsible for completing the Request for Categorical Exclusion or the Initial Environmental Examination (IEE) as part of compliance with the Agency’s Environmental Procedures (22 CFR 216). The COR/AOR is responsible for doing this in consultation with partners, stakeholders, and the Mission Environment Officer. All USAID activities and activity extensions or amendments must have an environmental review according to §216 prior to the irreversible obligation of funds [see 216.3(a)(1)-(10) and ADS 204.3.4]*

**Request for Categorical Exclusion**

***Annotated Outline***

**(Amendment No: \_\_ of Threshold Decision No. \_\_)**

***(If this is an amendment, give amendment no. and the no. of the original Threshold Decision)***

*Use the headings for the title page as given below. The request for Categorical Exclusion should normally not exceed 2 pages:*

**Activity Location:** *[Country name]*

**Activity Title:** *[Title, SO name and number when appropriate]*

**Activity Number:** *[Assigned by contracting office]*

**Life of Activity Funding:** *[write with “million” if over one million, e.g., $1.5 million]*

**Life of Activity:** *[write in Fiscal Years or exact dates]*

**Reference Threshold Decision:** *[if the request or IEE is supplemental, give the original number, e.g. LAC-IEE-04-01]*

**IEE Prepared by:** *[name, position]*

**Date Prepared:**

**Recommended Threshold Decision:** *[Categorical Exclusion]*

1. **BACKGROUND AND ACTIVITY DESCRIPTION**

*Provide enough activity information to justify a Categorical Exclusion – that is, “classes of actions including in §216.2(c), (2) for which an Initial Environmental Examination, Environmental Assessment and Environmental Impact Statement generally are not required, because the action does not have an effect on the natural or physical environment.” This will allow the environmental recommendation to be more self-explanatory and free-standing, especially for the BEO’s record keeping and tracking purposes. See §216.2(c) Categorical Exclusions.*

*Requests for Categorical Exclusions for sub-activities of larger programs (DOs or DO Intermediate Results or Activities) can be included within an Initial Environmental Examination (IEE).*

**2. JUSTIFICATION FOR CATEGORICAL EXCLUSION REQUEST**

*Keep in mind that the fifteen types of Categorical Exclusions laid out in 216.2(c)(2)(i) through (xv) are not “stand alone” pieces of the regulation. They are part of the larger 216.2(c) which is part of the larger 216.  This means that they are to be taken in the context of and under the provisions of all of 22 CFR 216. Some of the key parts in the rest of 216 that apply to this are:*

* *216.1(b) is the underlying purpose and intent of 216 and its main point is to say that we are responsible for ensuring that the consequences of spending USAID money are identified and addressed prior to proceeding.*

* *One level down from this is 216.2(c)(1) which are the underlying criteria by which the 15 Categorical Exclusions were developed. 216.2(c)(1)(i) says that CEs are for cases where an action does not have an effect on the natural or physical environment.*

* *216.2(c)(3) is the process by which a decision is made whether to approve a CE. This requires a determination to include an analysis and justification as to how it fits within the CE being identified.  CEs are not granted simply when a person argues that a project or activity fits to some degree.  216.2(c)(3) requires the BEO to make a judgment on such an argument both during the initial determination and then in an ongoing way afterwards during implementation to ensure there are no potential effects on the environment and that granting a CE at the beginning of a project and then maintaining it throughout the life of a project or activity is appropriate.*

* *216.2(e) then goes on to automatically void the potential use of all 15 CE categories should there ever be a pesticide procured and/or used in a program, project, activity, or substantive amendment.*

*There may be times when a particular action is not covered under a specific category but is deemed to not have any negative effect on the environment. These cases are rare but it if they do arise, a recommendation for a Negative Determination (no conditions) may be requested. Sufficient justification must be provided to demonstrate that the activity has no effect on the environment without applying conditions or mitigation measures.*

*Cite appropriate language from Reg. 216, especially 22 CFR 216.2(c). Where necessary, make the case for its application to the activities described above.*

*For example:*

*The above activities qualify for a Categorical Exclusion pursuant to 22 CFR §216.2(c)(2)*

*(i) Education, technical assistance and training (216.2(c)(2)(i));*

*(iii) Analyses, studies, and workshops (216.2(c)(2)(iii));*

*(v) Document and information transfer (216.2(c)(2)(v)); and*

*(xiv) Activities that will develop the capability of recipient countries to engage in development planning*

*As currently planned, no interventions will directly affect the environment. If during implementation, activities are considered under this DO that are outside the above framework, activities other than those described in the subject Categorical Exclusions, and that may directly affect the environment (such as construction or rehabilitation of facilities), an amended (supplemental) IEE or Request for Categorical Exclusion shall be submitted, as appropriate. For amendments, please use the original text for the IEE to be amended and add additional text that describes what is being amended. Additional text should be highlighted in yellow to depict the changes being recommended. Do not submit stand-alone amendments.*

**Background and Additional Information for Reg 216 the Preparation of Categorical Exclusion Requests**

*Categorical Exclusions are not loopholes to enable US taxpayer money to be spent on an activity where USAID has not satisfied itself that adequate environmental review has occurred to ensure the activity is correctly designed for optimal results.  CEs are simply mechanisms to streamline the environmental review process in cases where USAID is fully satisfied that there are no potential environmental impacts.  No matter what the mechanism USAID choses to provide assistance, the agency needs to address the potential environmental issues that may result from its actions.  22 CFR 216 gives a degree of flexibility in how to address these issues within the various mechanisms used, and some are more direct than others such as having more direct control in standard USAID projects rather than less direct control in projects such as those involving ICIs, but the bottom line is that we do our best to address the issues effectively and appropriately no matter what the mechanism.*

*The criterion on “no knowledge or control” is in 216.2(c)(1)(ii) and says “AID does not have knowledge of or control over, and the objective of AID in furnishing assistance does not require, either prior to approval of financing or prior to implementation of specific activities, knowledge of or control over, the details of the specific activities that have an effect on the physical and natural environment for which financing is provided by AID”.  This is a very difficult standard to meet unless USAID is doing no questions asked cash transfers, especially in light of the above sections of 216.  Intermediate/Development Credit Institution type projects USAID have a fairly good idea of what the loans will be used for and what they will not, and USAID should have a fairly strong sense of whether the bank is capable of appropriately managing the money.  If USAID is not satisfied that the ICI/DCI will not be environmentally sound in their work – by either creating an effective mechanism in the bank or by doing environmental analysis with/for them until they are able to create their own capacity then this CE criterion does not apply and a Negative Determination with Conditions should be recommended.*

*Part of modern commercial bank loan management that has come about in the past decade or so is environmental soundness.  USAID should not be attempting to justify support for a bank that does not include this elementary part of bank management and operation since it is fundamental to a bank’s ever hoping to make profitable rather than uncollectible loans.  This kind of environmental soundness includes aspects such as a bank’s loan committee being able to assure itself on such matters as:*

*Environmental liability  -  whether a borrower’s factory is polluting and has hidden debts such as needing to pay for cleaning up its waste sites that it created in years gone by or to upgrade its manufacturing processes to modern environmental pollution control standards;*

*Meeting environmental ISO or other manufacturing standards (ISO 14000, EuroGAP, recent multilateral trade agreements, etc.) are a prerequisite for the factory to ever be able to export successfully – most of the developed world and now increasingly much of the developing world will not permit imports from sources that do not meet basic environmental manufacturing requirements.*

**Initial Environmental Examination (IEE)**

***Annotated Outline-State Title of Project/Activity***

**(Amendment No: \_\_ of Threshold Decision No. \_\_)**

***(If this is an amendment, give amendment no. and the no. of the original Threshold Decision)***

*Note: An IEE is usually three to ten pages in length depending on the nature and breadth of the activity. Detailed background documents, maps, etc. can be annexed. Fill in the title page accordingly:*

**Activity Location:** *[Country name]*

**Activity Title:** *[Specific Activity Title, DO name and number when appropriate]*

**Activity Number:** *[Assigned by contracting office for tracking purposes]*

**Life of Activity Funding:** *[write with “million” if over one million, e.g., $1.5 million]*

**Life of Activity:** *[by Fiscal Years or exact dates]*

**Reference Threshold Decision:** *[if the request or IEE is an amendment, give the original number, e.g. LAC-IEE-04-01and list all of the associated IEEs. If it is a new IEE, state NEW IEE.]*

**IEE Prepared by:** *[name, position]*

**Date Prepared:**

**Recommended Threshold Decision:** *[Categorical Exclusion, Negative Determination, Negative Determination with Conditions, Positive Determination, and/or Deferral]*

 *[If Negative Determination with Conditions, also briefly summarize conditions here]*

**1**. **Background and activity/program description**

**1.1 Purpose and Scope of IEE**

*What does the IEE cover; is it an amendment, and if so, why (additional funding, geographic scope, extension of time)? Remember to highlight in yellow the inserted text that makes the amendment. What other Threshold Decisions cover the activity or SO, if any? See USAID Environmental Procedures §216.3(a)(1) Preparation of the Initial Environmental Examination for further guidance. The following link is the Spanish-English version of Reg. 216: http://www.usaid.gov/our\_work/environment/compliance/22cfr216*

*Also see ADS 204 for more details:*

[*http://www.usaid.gov/policy/ads/200/index.html*](http://www.usaid.gov/policy/ads/200/index.html)

*If the IEE is a new PAD IEE, provide information regarding the DO and IRs. Also, list the known existing activities (title of Activity) that shall be continued/absorbed into this new PAD IEE and state the previous ETD number of these existing activities. Add a paragraph for new activities (Planned title/type of activity) that will be included in this new PAD IEE.*

**1.2 Background**

*Describe why the activity is desired and appropriate, with some relevant context.*

**1.3 Description of Activities**

*Outline the key activities proposed for funding. This can be copied or edited from the Project Approval Document (PAD) or similar. A current activity description should be provided, paraphrasing and shortening as much as needed.*

*Activities should- be described with as much detail as possible. For existing Activities that will be continued through this IEE, list the Activity name and Implementing Partner and state that is an existing Activity. A list of illustrative actions should be attached for each IR/sub IR.*

*Please state if any sub-award activities will be included, any small scale or large scale construction, and if the project will conduct training, use, or purchase pesticides.*

* 1. **Locations Affected/Existing Conditions:**

*Include country, geographic, ecosystem or environmental information (baseline information) that is appropriate. This should briefly assess the current physical and/or social environment that might be affected by the activity. It should draw on the Country Development Cooperation Strategy, Tropical Forest/Biodiversity (FAA 118/119) Country Analysis, etc. as necessary. Include only information which has bearing upon the substance of the activity or sector involved – no need to include irrelevant “fill” material in here or the next subsection.*

*Depending upon the activities proposed, this could include an examination of land use, geology, topography, soil, climate, groundwater resources, surface water resources, terrestrial communities, aquatic communities, environmentally sensitive areas (e.g., wetlands or protected species), agricultural cropping patterns and practices, infrastructure and transport services, air quality, demography (including population trends/projections), cultural resources, and the social and economic characteristics of the target communities.*

*The information obtained through this process should serve as an environmental baseline for future environmental monitoring and evaluation. Be selective in the environmental information you provide, as it should be specific to the activity being proposed – more information is not necessarily better.*

**1.5 National [or applicable] Environmental Policies, Procedures or Regulations**

*[of the host country, and including policies both for environmental assessment and development or other policies pertaining to the sector affected. This section should also include a description of consultations that were held with the host government on the IEE and its mitigation measures.]*

**2. Evaluation of environmental impact potential**

*2.1 This section of the IEE is intended to define all potential environmental impacts of the activity, DO or IR. Impacts can be direct, indirect, or cumulative. They can also be beneficial or negative. Some impacts will happen only during certain phases of the project (design, construction, operations/maintenance, closure). Use the USAID Environmental Guidelines as a reference:* *(http://www.usaidgems.org/sectorguidelines.htm)*

*If pesticides will be procured or used (whether USAID funds are used for their purchase or not) as part of the activity, than follow USAID Pesticide Procedures 216.3(b). Also see* [*ADS 312.5.3E: Pesticides*](http://www.usaid.gov/policy/ads/300/312.pdf)*. The IEE should include a separate section evaluating the economic, social and environmental risks and benefits of the planned pesticide use to determine whether the use may result in significant environmental impact. The 12 factor outlined in the §216.3 (b) are analyzed in such an evaluation. The Africa Bureau developed a “Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP)” to facilitate this pesticide analysis. See: http://www.encapafrica.org/meo\_course/course\_materials/module9--special\_topics/agriculture\_irrigation\_pest\_pesticide\_management/how\_to\_prepare\_a\_persuap\_031504.doc*

*The recommended Threshold Decision may be either a Negative Determination or Positive Determination depending on whether significant impacts are expected.*

*Activities that typically have a Negative Determination with Conditions (predictable and minor impacts) include:*

* *Construction or rehabilitation of small-scale infrastructure less than 100m2(schools, health clinics, etc.)*
* *Housing reconstruction for less than 100 people, etc.),*
* *Water and sanitation systems for population of less than approximately 5,000,*
* *Irrigation systems for less than 100 ha, and*
* *Rural road improvement of limited extension.*
* *Sub-grant activites (require that at least Table 1 of the EMMP be filled out to determine the level of impact as the specific actions of each sub-grant are not know during the IEE preparation).*

*Activities which typically have a Positive Determination (they may cause significant adverse environmental impacts) and require an Environmental Assessment include*

* *Irrigation (>100 ha) or water management projects (including dams)*
* *Leveling of land for agriculture*
* *Drainage projects*
* *Construction of new roads or improvement of extensive road network*
* *Sewage and potable water projects for populations over approximately 5,000*
* *Commercial forestry activities, and*
* *Large scale agriculture activities*

*2.2 While public participation and hearings are not mandatory for IEEs, they are good practice in those cases where there are potential environmental issues that need to be addressed but not significant enough to kick it up to the Environmental Assessment level where public consultation is mandatory. Public consultation will help assure that the proposed mitigation measures are realistic and likely to be followed. Consultation should include host country governments, the public and beneficiaries. See 216.6 (e) Consultation and Review.*

**3**. **Recommended Threshold Decisions and mitigation actions**

*[Including monitoring and evaluation]*

**3.1 Recommended Threshold Decisions and Conditions**

*For each proposed activity or major component recommend whether a specific intervention included in the activity should receive a Categorical Exclusion (no impacts), Negative Determination without conditions (no impacts), negative Determination with Conditions (minor impacts), Positive Determination (significant impacts, an Environmental Assessment is necessary), or Deferral (activity is not developed enough to make a determination).*

*This section should have a determination for each sub-IR.*

*For Negative Determination with Conditions recommendation, list the conditions that are recommended for implementation of the activities.*

**3.2 Mitigation, Monitoring and Evaluation**

*Recommend what is to be done to avoid, minimize, eliminate or compensate for environmental impacts for activities with a Negative Determination with Conditions. For these activities (where there are expected environmental consequences), appropriate environmental monitoring and impact indicators should be incorporated in the activity’s monitoring and evaluation plan. The mitigation and monitoring measures must be budgeted for in the design of the activity – once the IEE is approved the DO (and Mission) is obligated to fund these as part of the activity in question. Include mitigation and monitoring measures from the PERSUAP as per above if pesticides are to be used. All projects that receive a NDWC, other than those associated with a PERSUAP are required to develop an Environmental Mitigation and Monitoring Plan (EMMP)(see format attached). Please insert the following standard language in this section:*

* Use of the “Guidelines for Implementing Partners: USAID Environmental Mitigation and Monitoring Plan (EMMP)” (Annex 1 and its Attachment 1) to conduct a preliminary environmental impact of all sub activities and identify necessary mitigation measures to minimize potential negative environmental impacts. The EMMP will also be used for documenting the monitoring of the mitigation measure implementation and effectiveness.

* For any activities that are determined to be a Negative Determination with Conditions, the grantee/contractor will be required tofill out an Environmental Mitigation and Monitoring Plan (EMMP) for each thematic area (e.g. rehabilitation of small scale building, construction of greenhouses, water systems, bridges, etc.). If a supplemental/amended IEE is completed for activities that are added to the project that may involve a negative impact to the environment, all grantees and or implementing partners (IP) will be required to complete an EMMP or amend their existing EMMP. The EMMP would need to be completed before any actions that would have a negative impact, be implemented.

* The Agreement/Contract Officer Representatives (AORs/COR) for these Activities will actively monitor, evaluate, and ensure that the conditions specified herein are met.

* If additional activities are added, that are not described in this document other than sub-grants that would be covered by an EMMP, an amended Initial Environmental Examination will be prepared.

*For activities with a Positive Determination, a Scoping Statement for the Environmental Assessment can be annexed or submitted at a later date for BEO approval. Activity implementation cannot begin without an approved Environmental Assessment. A mitigation, monitoring, and evaluation section is usually part of the concluding chapter of the EA.*

*For activities with a Deferral, include a date or timeline for submittal of an amended IEE for the deferred activity. Funds cannot be obligated to activities with a Deferral until the amended IEE is approved and a Threshold Decision is issued.*

*For additional references and details, please see the Agency Environmental Compliance site:*

*http://www.usaid.gov/sites/default/files/documents/2151/reg216.pdf*

*or the agency Environmental Compliance site:*

*http://www.usaid.gov/our\_work/environment/compliance*

*Your mission may have a Mission Order on environmental compliance which you should refer to for specific guidance. Also, feel free to seek out your Mission Environmental Officer, Regional Environmental Advisor, or Bureau Environmental Officer for advice or examples.* ***[It may be helpful to include on line sources of good examples of IEEs here]***

Clearance Page: (Should be a separate page)

*Name of Activity/DO/IR, Date:*

* *DO Team leader/Office Director*
* *Program Officer*
* *Mission Environmental Officer (MEO)*
* *Regional Environmental Advisor (REA)*
* *Mission Director*
* *[Some missions may also require the clearance of the Regional Legal Advisor or Deputy Mission Director]*

*Note: The Bureau Environmental Officer (BEO) issues the Threshold Decision based on the approved Request for Categorical Exclusion or Initial Environmental Examination and its recommendations, so there is no need to include the BEO on this clearance page. The BEO will assign a number to the Threshold Decision and include the IEE as an attachment.*

*Note: copy Program Office and Regional Legal Advisory/Officer*

File:

*It is usually helpful to include the file name and directory.*