1. BACKGROUND AND PROGRAM DESCRIPTION

1.1 Background
The U.S. Government supports Ukraine as it moves to quickly implement the reforms necessary to bring the country together and to develop a sustainable economy, attractive investment climate, and transparent and accountable governance that is responsive to the concerns and aspirations of all Ukrainians. The United States fully supports the Government of Ukraine’s stated three priorities for Ukraine: advancing the Association Agreement with the European Union, security in the East, and fighting corruption.

The Agreement is one important tool for USAID to assist Ukraine in achieving its stated priorities, with a focus on broad-based resilient economic development as a means to sustain Ukrainian democracy. In order to achieve the desired results and Development Objective under this Agreement, problems in structural economic weaknesses, inefficient use of energy resources, and disparities in economic empowerment for women and vulnerable populations must be addressed. In addition, strengthening private sector capacity and supporting the growth of small and medium-sized enterprises and the middle class is critical to economic stability. Efforts to fight corruption in the business environment and to modernize key sectors, such as agriculture, are essential as well.
The activities anticipated under this IEE will be in general covered by the on-going projects’ IEEs and Amendments, which include: DCN: 2010-UKR-005, DCN: 2010-UKR-013, DCN: 2011-UKR-018, DCN: 2011-UKR-021, DCN: 2012-UKR-001, DCN: 2013-UKR-007, DCN: 2013-UKR-012 and DCN: 2013-WNIS-001. In case when new activities are developed, the relevant IEEs or Amendments will be prepared.

1.2 Program Objective
The Development Objective of the Agreement, Broad-Based, Resilient Economic Development as a Means to Sustain Ukrainian Democracy, encompasses economic interventions to expand economic opportunities that enable a large and thriving middle class and increase the incomes of the majority of Ukrainian citizens.

1.3 Program Overview
In cooperation with the Government of Ukraine (GOU), other U.S. Government agencies and bilateral and multilateral donors, USAID will focus on five interrelated results: (1) increased investment availability to the emerging middle class; (2) strengthened private sector capacity; (3) increased support from local government to small and medium enterprises; (4) enhanced energy security; (5) increased agricultural production through reform. By addressing these results, USAID intends to contribute to broadening the base of those benefiting from economic growth and create a more resilient economy that can withstand external and internal shocks, as well as sustain democracy by demonstrating the results that democratic governance can provide to the population.

Activities to be funded under this Agreement will aim to:

1) **Develop the Financial Sector:** Activities could work to increase financial sector stability and restore public trust in financial markets through provision of a wide range of financial services in order to reduce risk; strengthen supervision/regulation in order to improve market oversight and transparency; and improve information for citizens regarding financial products, services, and rights in order to make more educated financial decisions.

2) **Strengthen Public-Private Partnerships (PPPs):** Activities could promote the use of the public-private partnership model, with an expanded role of private sector finance and operational expertise in public infrastructure development, and to improve infrastructure and public services in both urban and rural areas. The activities could promote the use of PPPs by: 1) undertaking required legal and institutional reforms; 2) establishing a national public-private partnership unit to serve as a bridge between government and private sector interests; 3) conducting training programs on PPP project design and implementation; and 4) creating pilot PPP projects.

3) **Increase Energy Efficiency:** USAID programs will help the GOU to improve energy policies and develop in-country capacity and knowledge to support sound energy programs and strategies. USAID will also support more transparent, efficient, and better regulated energy markets to foster competitiveness in the sector and incentivize greater energy efficiency and security. Activities may also include basic energy reform policies and legislation, fuel supply, power exchanges and technical support. Activities could reduce and mitigate greenhouse gas emissions in Ukraine resulting from the poor use of energy resources, which will lead to strengthened energy security and economic growth. The activities could 1) support improvements in the clean energy regulatory and legislative enabling environment; 2) promote investment in clean energy technologies and applications; 3) provide capacity building and increased awareness training; 4) enhance the capacity of GOU in low emission development strategies.

4) **Develop Unconventional Energy:** Activities could develop a research and education center for unconventional energy development. Among possible activities, existing unconventional energy sources could be used in particular circumstances (like waste to energy and biogas) to complement energy needs in the country.
5) **Increase Agricultural Production:** USAID activities will support implementation of less volatile, more market-oriented policies that stimulate increased production and investments in the agricultural sector; stimulate access to finance by strengthening partnerships between financial service providers and value chain actors, including input suppliers and buyers, to facilitate sustainable access to financial services for small and medium producers; and support creation of a more effective market infrastructure for small and medium-sized agricultural producers and increase the profitability of farming through better access to domestic markets, the development of wholesale and regional markets, and through capacity-building for producer organizations. Ukraine is one of the few areas in the world where substantial increase of agricultural productivity and overall output is possible and will not decrease food quality. Notably, this increase can be achieved without significant impact on the environment, given the underutilization of available land and soil quality. Food products will meet the EU and WTO standards for export.

Activities could accelerate and broaden economic recovery in Ukraine through support to the agriculture sector and stimulating an increase in the country’s contribution to global food security efforts. Other activities could promote private sector partnerships to increase private sector investment into the agriculture sector, reform the historically *ad hoc* nature of agricultural policies in Ukraine, improve access to credit and investment capital and create a governance structure that is based upon international best practices to reduce corruption, bureaucracy and encourage investment in the agriculture sector.

6) **Improve the Business Environment:** Activities could address the need for transparent and accountable governance that is responsive to the concerns and aspirations of all Ukrainians and shall include measures to fight corruption in the business sector to achieve broad-based economic development as a means to sustain Ukrainian democracy. Such activities shall be targeted toward achieving deep and comprehensive reforms to correct weaknesses and inefficiencies in the financial sector, tax system and accounting system, trade regime, and the overall business enabling environment, and to eliminate cumbersome government regulations, unpredictable and inconsistent policies, lack of access to finance and underdeveloped markets and market infrastructure. Activities will also assist the GOU to draft and review key laws and regulations and implementation of international standards, as well as train GOU officials, businesses, and the legal community on their implementation.

7) **Improve Budget and Financial Management:** Activities could promote efficient and transparent implementation of local budgets to foster local social and economic development, namely: 1) provide legislative, methodological and organizational support to central and local government bodies to expand Performance Program Budgeting (PPB) to all local budgets in Ukraine, as well as to ensure institutional sustainability of PPB training; 2) build the capacity of 15 selected cities to develop and implement multi-year development strategies, including the introduction of financial practices that foster energy efficiency; and 3) enhance public awareness and understanding of the public budgeting process, revenues and expenditures and increase the transparency and reliability of the reports of budget fund administrators.

8) **Revitalize Economic Development in the East and the South:** Activities could work to revitalize economic activity in communities across the East and the South which have been affected by conflict. Activities may include development of regional economic plans, support for community-driven small business and small infrastructure rehabilitation projects, increasing access to credit, and training and assistance to business in accessing new markets. Additional activities will help strengthen national unity by mainstreaming eastern and southern communities and businesses into Ukrainian economic and social activity.

9) **Improve Trade Capacity:** Activities could improve the capacity of the GOU to increase and diversify trade by improving the trade environment and implementing its requirements as a member of the World Trade Organization (WTO). Assistance to the WTO Department within the Ministry of Economic
Development and Trade may help build staff capacity, strengthen dispute settlement procedures, improve trade policies, and developing training materials on WTO-related issues. Additional support may help the WTO department better coordinate GOU bodies responsible for implementing WTO requirements, as well as informing and educating GOU and private sector entities on trade opportunities arising from WTO and participation in the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the One Part, and Ukraine, of the Other Part (EU Association Agreement). In order to facilitate and diversify trade, assistance may help reduce technical barriers to trade, as well as support key line Ministries in meeting international quality and safety standards.

10) **Provide experts’ and consultants’ assistance:** USAID could provide advisory support to the GOU through experts or consultants.

11) **Conduct program evaluations and studies:** As required by USAID policy, and in order to share information with the Grantee regarding the impact of U.S. foreign assistance in the area of Economic Growth, funding under the Agreement will be used to support one or more program evaluations, studies and/or designs related to ongoing, completed or new activities.

### 2. Baseline Environmental Information

#### 2.1 Locations Affected and Environmental Context

During its 23 years of independence, Ukraine has achieved sporadic progress and setbacks in establishing the basic institutions of democracy and a market economy. Prior to the 2008 economic crisis, Ukraine’s GDP grew on average a robust 7.5 percent per year. Yet, Ukraine remains one of the poorest countries in Europe, with an annual per capita income of less than $3,000, a figure which, given the skewed income in Ukraine, overestimates the average income of most Ukrainians. Small and Medium Enterprises (SMEs) account for only 10-15% of Ukraine’s official GDP, compared to 40% in neighboring Poland and 70% in France.

Ukraine’s economy is one of the most greenhouse gas (GHG) emission-intensive in the world and this makes the country a major contributor to global climate change. In order to produce a unit of its Gross Domestic Product (GDP), Ukraine emits more anthropogenic GHG than almost any other country in the world. Ukraine’s high GHG emissions are related to its energy intensity, which is over three times higher than the European Union (EU) average (International Energy Agency (IEA), 2012). Ukraine’s high energy intensity impedes economic growth, leaves the economy highly vulnerable to price shifts, draws governmental and private sector resources away from other priority issues, and creates dependence upon foreign energy suppliers.

Ukraine continues to have a poor business environment and investment climate, despite having risen 28 places on the World Bank’s "Doing Business 2014" report, up from “140” last year. Ukraine has improved its ranking in ease of starting a business, from 112th (2013) to 47th: on an average it takes 21 days and six procedures to open a business in Ukraine, a notable improvement in efficiency. Other factors helped to improve Ukraine’s score, including taxation (164), property registration (97), and construction permitting (41).

The number of regulations, required certificates, and inspection regimes in Ukraine imposes a significant regulatory burden on private enterprise. While the time and costs related to business registration are being gradually reduced, GOU still requires enterprises to obtain numerous permits to start and conduct business. Per the 2010 Law “On Amendments to the Law of Ukraine “On Permits” #1869-VI, the “silence is consent” principle is applied in the process of obtaining a permit to start business, which means permits are automatically approved if there has been no decision made on them after 30 days from the time of submission. However, the utility of this legislation has been considerably undermined by inadequate implementation. Proposed draft laws and regulations are available for public review on the official website of Parliament and executive government agencies, but there is no formal procedure for submitting comments, and drafts may be posted with little time for review.

Most current standards were created under the Soviet Union, do not correspond to international standards, and are typically far more restrictive and prescriptive than necessary. Contrary to accepted international practice,
standardization in Ukraine is not a voluntary procedure through which manufacturers can ensure specific properties of a process or product, but rather a part of the state regulatory system. Standards are compulsory for virtually all goods, and many services. Mandatory certification is required in Ukraine for over 300 types of goods and services, and remains applicable de facto for an even larger number of goods and services (according to State Committee on Consumer Standards (Derzhspozhstandard) Order #28 of February 1, 2005 with amendments). Mandatory certification is often required without regard to the products' actual level of risk to the public, or to other types of regulation already applicable. Mandatory certification in Ukraine applies both to domestic products and to imported goods in most cases, generally irrespective of whether they already have proof of conformity with applicable international technical regulations. In addition, mandatory certification applies to final goods rather than to the production process, forcing manufacturers to duplicate certification procedures or to submit proof of conformity assessment for each batch of products. Mutual Recognition: During WTO accession negotiations, Ukraine pledged to continually review the list of products subject to mandatory certification and to reduce the number of products on this list, if legitimate objectives could be met in a less trade-restrictive manner.

Agriculture in Ukraine is performing at one-third of its production capability and one-half of its potential for contributing to GDP. Ukraine requires assistance to tap its vast potential in agriculture, thereby diversifying its sources of prosperity, leading to a broader economic recovery, and contributing to a more food secure world.

Ukraine’s food safety system is complicated. Controls are implemented by various state agencies that often have overlapping functions. In late 2010, GOU started a major regulatory system reform to reduce the number of controlling bodies and introduce a clear separation of authorities. To date, the food import system has not been significantly simplified. Ukraine has been required to comply with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, (the SPS Agreement), since accession in 2008. Currently, certain sanitary measures used in Ukraine may not fully comply with SPS Agreement provisions and/or with the standards established by international standards-setting bodies, as well as with internationally accepted trade practices. Ukraine’s agricultural trade policy remains unpredictable with regard to potential duties and quotas on exports.

Due to incomplete legislation on environmental and public health protection and low common compliance with the law in Ukraine, there is a risk that the amended government regulations and business practices may not reflect relevant environmental and public health considerations, and allow activities which pose risks to the public health and/or the environment.

2.2 Description of Applicable Environmental and Natural Resource Policies, Laws and Regulations

The Ukrainian regulatory framework for environmental and public health protection is quite comprehensive. Relevant legislation includes:

- *Investments Law* (1991),
- *Natural Environment Protection Law* (1991),
- *Health Protection Fundamentals Law* (1993),
- *Public Sanitary and Epidemic Safety Law* (1994),
- *Drinking Water and the Drinking Water Supply Law* (2002),
- *Land Protection Law* (2003),
- *Environmental Audit Law* (2004),
- *Nature-Protected Areas Law* (2004),
- *Ecological Policy Fundamentals Law* (2010), and

In addition, there are two legal codes, which regulate activities related to water and land management and environmental protection:
• Water Code (1995): Established protection zones, or belts, alongside rivers, lakes, and coastlines. It also limited certain land use activities that may pollute the water.

• Land Code (updated in 2001): Defined appropriate land use activities and established exclusion zones and protection areas for critical habitats such as wetlands and riparian buffers.

The Ecological Expertise Law remains the framework for environmental impact assessments (EIAs) that apply to policy documents, laws and regulations, and individual projects, which may have adverse impacts on the environment and/or human health in Ukraine. The executive branch has also prepared an Environmental Impact Assessment Bill in April 2012 and solicited public comments on it.

EIAs are part of the state ecological expertise authority; activities that require a mandatory state ecological expertise are listed in the Cabinet of Ministers of Ukraine (CMU) Resolution #554 (1995). The mandatory EIAs are usually conducted by registered (certified) companies wholly or partially owned and/or financed by the executive branch.

To cooperate on EIAs internationally, Ukraine signed the Protocol on Strategic Environmental Assessment (SEA) to the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) in 2003 but has neither ratified the protocol nor two amendments to the Espoo Convention. Overall, Ukraine has demonstrated low commitment to honor either the Espoo Convention (ratified in 1999) or Aarhus Convention (ratified in 2001) so far.

### 2.3 Country/Ministry/Municipality Environmental Capacity Analysis

The Ministry of Ecology and Natural Resources (NENR) has 234 full-time positions at the national level. There are also central offices of the State Ecological Inspectorate (SEI, 54 employees), State Agency for Ecological Investments (SAEI, 71 employee), State Water Agency (SWA, 78 employees), and State Geological & Bowels Service (136 employees). These agencies are subordinated to the NENR. The NENR also manages the State (Chernobil) Exclusion Zone Management Agency, State Ecological Academy for Postgraduate Studies & Management, as well as three research institutions and 10 government-controlled companies, which are often involved in mandatory Government of Ukraine (GOU) EIRs.

At the regional (oblast) level, the NENR is represented by Ecology & Natural Resources Departments of Oblast State Administrations. There are also regional (oblast) offices of each NENR-subordinated agency; for instance, the SEI has 2,746 full-time positions at the regional level, i.e. over 100 full-time positions in every oblast of Ukraine. The Ecology & Natural Resources Department of Lviv Oblast State Administration includes, for instance, two divisions: Natural Resource Use Division and Natural Resource Protection & Monitoring Division. Many municipalities also have Ecology Divisions.

The GOU has some capacity to conduct EIAs/EIRs; however, its capacity is likely limited to basic concepts and, most importantly, any significant progress in GOU capacity building in this area is thwarted by the lack of GOU political will to promote the sustainable development in Ukraine.

Ukrainian NGOs and private sector companies also have some capacity to conduct EIAs/EIRs; however, in most cases, their capacity is limited and any significant improvements can only occur when either the GOU or private sector start demanding application of modern approaches to an EIA/EIR.

It is anticipated that many activities will not have any effect on the environment and human health. On those activities (legislation preparation) that may have some effect, the Implementer(s) will recommend the host government address those impacts appropriately.

### 3. Analysis of Potential Environmental Impact

**Activity 1 - Develop the Financial Sector**

<table>
<thead>
<tr>
<th>Table 1. Activity 1 Illustrative Activities and Potential Environmental Impacts</th>
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<tbody>
<tr>
<td><strong>Illustrative Activities</strong></td>
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</table>

USAID/Ukraine – EG Development Objective Agreement (DOAG)
### Table 1. Activity 1 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Draft legislation and regulations to increase financial sector stability and restore public trust in financial markets</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>1.2 Prepare special reports on strengthening supervision/regulation in order to improve market oversight and transparency</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>1.3 Conduct information campaign for citizens regarding financial products, services, and rights</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>1.4 Train secondary school teachers in financial literacy course, which among other topics will include aspects of responsive budget planning and understanding of such things as environmental tax on enterprises, social subsidies in planning family budget and responsive budget planning, including savings on more efficient use of energy resources.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### Activity 2 – Strengthen Public-Private Partnerships (PPPs)

### Table 2. Activity 2 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Assist the GOU in drafting, reviewing and promoting required legal and institutional reforms on PPP</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>2.2 Provide assistance in building capacity of the national PPP unit</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>2.3 Conducting training programs on PPP project design and implementation</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>2.4 Create pilot PPP projects</td>
<td>Potential impact on environment and/or human health</td>
</tr>
</tbody>
</table>

### Activity 3 – Increase Energy Efficiency

### Table 3. Activity 3 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Assist the GOU in drafting, reviewing and promoting the clean energy regulatory and legislative enabling environment (including, but not limited to zoning and building requirements to increase the energy efficiency of buildings and factories to reduce energy consumption in the residential and industrial sectors)</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>3.2 Provide capacity building training programs on municipal energy efficiency</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>3.3 Assist the GOU in low emission development strategies implementation</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### Activity 4 – Develop Unconventional Energy

### Table 4. Activity 4 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
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</thead>
</table>

USAID/Ukraine – EG Development Objective Agreement (DOAG)
### Illustrative Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Establish a research and education center for unconventional energy development.</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>4.2</td>
<td>In coordination with the GOU Ministries develop a long-term energy plan on using unconventional energy.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
</tbody>
</table>

### Activity 5 – Increase Agricultural Production

Table 5. Activity 5 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Assist the GOU to draft agriculture sector strategy, which will include management of water and energy sources.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>5.2 Build capacity of credit unions and their associations to increase lending to agriculture producers.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>5.3 Provide loan portfolio guarantees to increase access to credit for small and medium farmers</td>
<td>Potential impact on environment and/or human health</td>
</tr>
</tbody>
</table>

### Activity 6 – Improve the Business Environment

Table 6. Activity 6 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Assist the GOU to draft/review key laws and regulations on international standards.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>6.2 Train GOU officials, businesses, and the legal community on international standards implementation.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### Activity 7 – Improve Budget and Financial Management

Table 7. Activity 7 Illustrative Activities and Potential Environmental Impacts

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Provide legislative, methodological and organizational support to central and local government bodies to expand Performance Program Budgeting (PPB) to all local budgets in Ukraine.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>7.2 Build the capacity of 15 selected cities to develop and implement multi-year development strategies, including the introduction of financial practices that foster energy efficiency</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>7.3 Enhance public awareness and understanding of the public budgeting process, revenues and expenditures and increase the transparency and reliability of the reports of budget fund administrators.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>
### Activity 8 – Revitalize Economic Development in the East and the South

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 Develop regional economic plans, which will include water and energy use needs and impacts.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>8.2 Support for community-driven small business and small infrastructure rehabilitation projects.</td>
<td>Potential impact on environment and/or human health</td>
</tr>
<tr>
<td>8.3 Conduct training to businesses in accessing new markets.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### Activity 9 – Improve Trade Capacity

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 Improve the capacity of the GOU to increase and diversify trade by improving the trade environment and implementing its requirements as a member of the World Trade Organization (WTO).</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>9.2 Build staff capacity of the WTO Department within the Ministry of Economic Development and Trade.</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>9.3 Develop training materials on WTO-related issues.</td>
<td>No adverse impacts are likely</td>
</tr>
<tr>
<td>9.4 Inform and educate GOU and private sector entities on trade opportunities arising from WTO and participation in the Association Agreement.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### Activity 10 - Provide experts’ and consultants’ assistance

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1 Provide advisory support to the GOU through experts or consultants.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### Activity 11 – Conduct Evaluations and Studies

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1 Conduct one or more program evaluations, studies and/or designs related to ongoing, completed or new activities.</td>
<td>No adverse impacts are likely</td>
</tr>
</tbody>
</table>

### 4. Recommended Environmental Actions

#### 4.1 Recommended Mitigation Measures
Activity 1: Develop the Financial Sector

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Draft legislation and regulations to increase financial sector stability and restore public trust in financial markets</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If the IP determines that the implementation of the proposed legislation may impact the environment and/or human health, the IP will encourage the assisted stakeholders to consider environmental implications and advocate the best international (EU compatible) approaches and practices.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>

Activity 2: Strengthen Public-Private Partnerships (PPPs)

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Assist the GOU in drafting, reviewing and promoting required legal and institutional reforms on PPP.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If the IP determines that the implementation of the proposed legislation may impact the environment and/or human health, the IP will encourage the assisted government authorities to integrate environmental considerations into the proposed legislation in line with the best international (EU compatible) approaches and practices.</td>
<td>Negative Determination</td>
</tr>
<tr>
<td>2.4 Create pilot PPP projects</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>A site-specific Environmental Review Checklist (ERC) and Environmental Mitigation and Monitoring Plan (EMMP) (see Annex 1) to be approved by the Mission Environmental Officer (MEO) and Bureau Environmental Officer (BEO) before being implemented to ensure that the proposed actions do not pose significant impact to the environment.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>

Activity 3: Increase Energy Efficiency

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Assist the GOU in drafting, reviewing and promoting the clean energy regulatory and legislative enabling environment.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If the IP determines that the implementation of the proposed legislation may impact the environment and/or human health, the IP will encourage the assisted government authorities to integrate environmental considerations into the proposed legislation in line with the best international (EU compatible) approaches and practices.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>

Activity 4: Develop Unconventional Energy

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
</table>
4.2 In coordination with the GOU Ministries develop a long-term energy plan on using unconventional energy.

| Potential for a negative impact of new legislation on the environment and/or human health |
| If the IP determines that the implementation of the proposed long-term energy plan may impact the environment and/or human health, the IP will encourage the assisted government authorities to integrate environmental considerations into the proposed legislation in line with the best international (EU compatible) approaches and practices. |
| Negative Determination |

**Activity 5: Increase Agricultural Production**

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Assist the GOU to draft agriculture sector strategy.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If the IP determines that the agriculture sector strategy may impact the environment and/or human health, the IP will encourage the assisted government authorities to integrate environmental considerations into the proposed strategy in line with the best international (EU compatible) approaches and practices.</td>
<td>Negative Determination</td>
</tr>
<tr>
<td>5.2 Build capacity of credit unions and their associations to increase lending to agriculture procedures.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>The IP will work with each credit union to standardize their environmental review screening procedures so as to ensure that every loan is in compliance with Ukrainian laws and regulations regarding environmental protection.</td>
<td>Negative Determination</td>
</tr>
<tr>
<td>5.3 Provide loan portfolio guarantees to increase access to credit for small and medium farmers</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>The lender(s) shall develop and implement an environmental due diligence process for their loans and transactions that: (1) reliably identifies loan applications that may involve support for environmentally sensitive activities; (2) verifies that such reviews are approved and/or permits or licenses are in place to loan finalization; and (3) verifies that loan recipients are aware of their compliance obligations and have adequate capacity and resources to implement them; and (4) no loans for the use of pesticides, insecticides, fungicides, rodenticides, or any other agricultural chemical may be issued until PERSUAP is approved by the BEO. The PERSUAP will be updated every two years throughout the life of the activity. The lender shall provide to the USAID CORs the environmental due diligence plan or protocol to implement the requirements above. This plan must be approved by the Mission Environmental Officer (MEO) prior to any disbursement of loan funds.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>
### Activity 6: Improve the Business Environment

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Assist the GOU to draft/review key laws and regulations on international standards.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If the IP determines that the implementation of the proposed legislation may impact the environment and/or human health, the IP will encourage the assisted government authorities to integrate environmental considerations into the proposed legislation in line with the best international (EU compatible) approaches and practices.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>

### Activity 7: Improve Budget and Financial Management

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Provide legislative, methodological and organizational support to central and local government bodies to expand Performance Program Budgeting (PPB) to all local budgets in Ukraine.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If new procedures governed by the proposed legislation may have an impact on the environment and/or human health, the IP will recommend the GOU to address potential environmental and human health impacts in the new PPB policy documents and legislation.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>

### Activity 8: Revitalize Economic Development in the East and the South

<table>
<thead>
<tr>
<th>Illustrative Activities</th>
<th>Potential Impacts</th>
<th>Mitigation Measures</th>
<th>Recommended Threshold Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 Develop regional economic plans.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>If new regional economic plans may have an impact on the environment and/or human health, the IP will recommend the GOU to integrate environmental considerations into the proposed plans in line with the best international (EU compatible) approaches and practices.</td>
<td>Negative Determination</td>
</tr>
<tr>
<td>8.2 Support for community-driven small business and small infrastructure rehabilitation projects.</td>
<td>Potential for a negative impact of new legislation on the environment and/or human health</td>
<td>Before implementing small infrastructure rehabilitation projects, the IPs will prepare ERCs/EMMPs (see Annex 1 of this IEE) and get MEO and BEO approvals.</td>
<td>Negative Determination</td>
</tr>
</tbody>
</table>
4.2 Recommended Environmental Determinations:

**Categorical Exclusions:**

- A categorical exclusion pursuant to 216.2(c)(2)(i) for education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (e.g., construction of facilities) is recommended for activities 1.4, 2.3, 3.2, 6.2, and 8.4 from the Section 3 tables.
- A categorical exclusion pursuant to 216.2(c)(2)(iii) for analyses, studies, academic or research workshops and meetings is recommended for activities 1.2 and 9.3 from the Section 3 tables.
- A categorical exclusion pursuant to 22 CFR 216.2(c)(2)(v) for document and information transfers is recommended for activities 1.3, 3.3, 7.3, 9.4, and 10.1 from the Section 3 tables.
- A categorical exclusion pursuant to 216.2(c)(2)(xiv) for studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.) is recommended for activities 2.2, 4.1, 7.2, 9.1, 9.2 and 11.1 from the Section 3 tables.

Per 22 CFR 216.2(c)(1), neither an IEE nor an EA is required for activities which are determined to fall within one or more of the classes of activities listed in 22 CFR 216.2(c)(2).

**Negative Determination with Conditions:**

A negative determination with conditions is recommended pursuant to 216.3(a)(2)(iii) for activities 1.1, 2.1, 2.4, 3.1, 4.2, 5.1-5.3, 6.1, 7.1, and 8.1-8.2 from the Section 3 tables.

**4.3 Terms and Conditions**

4.3.1 For activities, which fall under the Negative Determination with Conditions category, the IPs should have an environmental specialist or a knowledgeable person on staff that can identify the potential for environmental impacts of the activities. Each professional person needs to have the right experience for each specific area.

4.3.2 For activities 1.1, 2.1, 3.1, 4.2, 5.1, 6.1, 7.1, and 8.1, if the IPs determines that the implementation of the proposed legislation/plans may impact the environment and/or human health, the IPs will encourage all assisted stakeholders to consider environmental implications of the proposed changes/new developments and to integrate environmental considerations into the proposed legislation/regulations/plans and their plans for the proposed legislation implementation in line with the best international (EU compatible) approaches and practices.

4.3.3 For activity 2.4 and 8.2 the IPs will prepare a site-specific Environmental Review Checklists (ERCs) and Environmental Mitigation and Monitoring Plan (EMMP) (Annex 1) and get approval from the Mission Environmental Officer (MEO) and Bureau Environmental Officer (BEO) before implementation of the projects. Prior to initiating activities that have the potential to result in significant adverse environmental, health, and safety impact, the IPs shall prepare EMMP(s) in the format provided in the Annex 1 of this IEE. The CORs/AORs, MEO, and BEO shall approve the EMMP(s) prior to implementation. For each site-specific activity, the EMMP(s), (attached to this IEE or the revised version, if appropriate) shall be attached to the signed Certification of No Adverse or Significant Effects on the Environment (See IEE Annex 2) and sent by the implementer to the CORs/AORs for his or her records and copied to the MEO and Europe and Eurasia BEO. After the IPs has finalized its activities at a specific site, the IPs shall sign a Record of Compliance with the EMMP (see IEE Annex 3) certifying that the organization met all applicable EMMP conditions and submit it to the CORs/AORs. The CORs/AORs shall keep the original for the project files and provide a copy to the MEO and BEO.
4.3.4 EMMPs shall be captured in annual work plans, and therefore budgeted for and reviewed for adequacy at least annually.

4.3.5 Changes in activities and their associated EMMPs shall necessitate amending the IEE or issuing a Memo to the File (depending on extent and potential impact of the changes)

4.3.6 For activities 5.2-5.3, the IPs will work with each credit union to standardize their environmental review screening procedures so as to ensure that every loan is in compliance with Ukrainian laws and regulations regarding environmental protection. The lender(s) shall develop and implement an environmental due diligence process for their loans and transactions that: (1) reliably identifies loan applications that may involve support for environmentally sensitive activities; (2) verifies that such reviews are approved and/or permits or licenses are in place to loan finalization; and (3) verifies that loan recipients are aware of their compliance obligations and have adequate capacity and resources to implement them; and (4) no loans for the use of pesticides, insecticides, fungicides, rodenticides, or any other agricultural chemical may be issued until PERSUAP is approved by the BEO. The PERSUAP will be updated every two years throughout the life of the activity. The lender shall provide to the USAID CORs the environmental due diligence plan or protocol to implement the requirements above. This plan must be approved by the Mission Environmental Officer (MEO) prior to any disbursement of loan funds.

4.4 USAID Monitoring and Reporting

4.4.1. The Contract/Agreement Officer’s Representatives (CORs/AORs), with the support of the Mission Environmental Officer (MEO), are responsible for monitoring compliance of activities by means of desktop reviews and site visits.

4.4.2. If at any time the activities are found to be out of compliance with this IEE and relevant on-going projects’ IEEs, the CORs/AORs (or MEO) shall immediately notify the MEO and E&E Bureau Environmental Officer (BEO).

4.4.3. A summary report of Mission’s compliance relative to this IEE shall be sent to the BEO on an annual basis, normally in connection with preparation of the Mission’s annual environmental compliance report required under ADS 203.3.8.5 and 204.3.3.

4.4.4. The BEO or his/her designated representative may conduct site visits or request additional information for compliance monitoring purposes to ensure compliance with this IEE, as necessary.

4.5 IPs Monitoring and Reporting

The IPs shall report on environmental compliance requirements as part of their routine project reporting to USAID.

5. Mandatory Inclusion of Requirements in Solicitations, Awards, Budgets, and Work Plans

- Appropriate environmental compliance language, including limitations defined in Section 6, shall be incorporated into solicitations and awards for this activity and projects budgets shall provide for adequate funding and human resources to comply with requirements of this IEE.
- Solicitations shall include Statements of Work with task(s) for meeting environmental compliance requirements and appropriate evaluation criteria.
- Environmental mitigation and monitoring requirements, when available, shall also be included in solicitations and awards.
- The IPs shall incorporate conditions set forth in this IEE into their annual work plans.
- The IPs shall ensure annual work plans do not prescribe activities that are defined as limitations, as defined in Section 6.

6. Limitations of the IEE:

This IEE does not cover activities that:

- Normally have a significant effect on the environment under §216.2(d)(1)
Support project preparation, project feasibility studies, engineering design for activities listed in §216.2(d)(1);
- Affect endangered species;
- Result in wetland or biodiversity degradation or loss;
- Support extractive industries (e.g. mining and quarrying);
- Promote timber harvesting;
- Provide support for regulatory permitting;
- Assist in the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, cleanup of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials and/or pesticides (cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act); and
- Procure or use genetically modified organisms.
- DCA activities.

7. Revisions

Under §216.3(a)(9), if new information becomes available that indicates that activities covered by the IEE might be considered major and their effect significant, or if additional activities are proposed that might be considered major and their adverse effect significant, this environmental threshold decision will be reviewed and, if necessary, revised by the Mission with concurrence by the BEO. It is the responsibility of the USAID CORs/AORs to keep the MEO and BEO informed of any new information or changes in the activity that might require revision of this IEE.
Recommended Environmental Threshold Decision Clearances:

Approval: ________________________________________________
E. Jed Barton, Mission Director

Date: 9/4/14

Clearance: ________________________________________________
Ann Marie Yastishock, Deputy Mission Director

Date: 9/4/14

Clearance: ________________________________________________
Joel Sandefur, Regional Legal Advisor

Date: 9/3/14

Clearance: ________________________________________________
Brian Fink, PCS Director

Date: 9/3/14

Clearance: ________________________________________________
Larissa Piskunova, A/Mission Environmental Officer

Date: 9/3/14

Concurrence: ________________________________________________
Mark Kamiya, E&E Bureau Environmental Officer

Date: 9/4/14

Distribution:
IEE File
E&E Bureau Environmental Officer
MEO (to also provide copy to the AOR)
ENVIRONMENTAL REVIEW CHECKLIST
FOR IDENTIFYING POTENTIAL ENVIRONMENTAL IMPACTS OF PROJECT ACTIVITIES AND PROCESSES

for [Activity Name]

Implemented under: [Project Name]

DCN: [of Parent IEE]

Prepared by: [Implementer]
ENVIRONMENTAL REVIEW CHECKLIST FOR IDENTIFYING POTENTIAL ENVIRONMENTAL IMPACTS OF PROJECT ACTIVITIES AND PROCESSES

The Environmental Review Checklist for Identifying Potential Environmental Impacts of Project Activities and Processes (ERC) is intended for use mainly by implementing partners to: assess activity-specific baseline conditions, including applicable environmental requirements; identify potential adverse environmental effects associated with planned activity(s) and processes; and develop environmental mitigation and monitoring plans (EMMPs) that can effectively avoid or adequately minimize the identified effects. This ERC can also be substituted for other ERC versions that may have been attached to project initial environmental examinations (IEE). If implementing partners are in doubt about whether a planned activity requires preparation of an ERC, they should contact their Contracting Officer’s Representative (COR)/Agreement Officer’s Representative (AOR) for clarification. (When preparing the checklist, please indicate “not applicable” for items that have no bearing on the activity.)

A. Activity and Site Information

<table>
<thead>
<tr>
<th>Project Name: (as stated in the triggering IEE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission/Country:</td>
</tr>
<tr>
<td>DCN of Triggering IEE:</td>
</tr>
<tr>
<td>Activity/Site Name:</td>
</tr>
<tr>
<td>Type of Activity:</td>
</tr>
<tr>
<td>Name of Reviewer and Summary of Professional Qualifications:</td>
</tr>
<tr>
<td>Date of Review:</td>
</tr>
</tbody>
</table>

B. Activity Description

1. Activity purpose and need
2. Location of activity
3. Beneficiaries, e.g., size of community, number of school children, etc.
4. Number of employees and annual revenue, if this is a business
5. Implementation timeframe and schedule
6. Detailed description of activity and site, e.g., size of the facility or hectares of land; steps that will be taken to accomplish the activity
7. Existing or planned certifications, e.g., ISO 14001 EMS, ISO 9000, HCCP, SA 8000, Global Gap, Environmental Product Declarations, Eco Flower, EcoLogo, Cradle to Cradle, UL Environment, GREENGUARD, Fair Trade, Green Seal, LEED, or various Forest Certifications
8. Site map, e.g., provide an image from Google Earth of the location
9. Photos of site (when available)

C. Activity-Specific Baseline Environmental Conditions
1. Population characteristics

2. Geography

3. Natural resources, e.g., nearby forest/protected areas, ground and surface water resources

4. Current land use

5. Proximity to public facilities, e.g. schools, hospitals, etc.

6. Other relevant description of current environmental conditions in proximity to the activity

D. Legal, Regulatory, and Permitting Requirements

1. National environmental impact assessment requirements for this activity

2. Applicable National or local permits for this activity, responsible party, and schedule for obtaining them:

<table>
<thead>
<tr>
<th>Permit Type</th>
<th>Responsible party</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building/Construction</td>
<td></td>
<td></td>
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<tr>
<td>Source Material Extraction</td>
<td></td>
<td></td>
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<tr>
<td>Waste Disposal</td>
<td></td>
<td></td>
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<tr>
<td>Wastewater</td>
<td></td>
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<tr>
<td>Storm Water Management</td>
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<tr>
<td>Air Quality</td>
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<tr>
<td>Water Use</td>
<td></td>
<td></td>
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<tr>
<td>Historical or Cultural Preservation</td>
<td></td>
<td></td>
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<tr>
<td>Wetlands or Water bodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Threatened or Endangered Species</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Additional National, European Union, or other international environmental laws, conventions, standards with which the activity might be required to comply

a. Air emission standards

b. Water discharge standards

c. Solid waste disposal or storage regulations

d. Hazardous waste storage and disposal

e. Historical or cultural preservation

f. Other

E. Engineering Safety and Integrity (for Sections E. and F., provide a discussion for any of the listed issues that are likely to have bearing on this activity)
1. Will the activity be required to adhere to formal engineering designs/plans? Have these been or will they be developed by a qualified engineer?

2. Do designs/plans effectively and comprehensively address:
   a. Management of storm water runoff and its effects?
   b. Reuse, recycling, and disposal of construction debris and by-products?
   c. Energy efficiency and/or preference for renewable energy sources?
   d. Pollution prevention and cleaner production measures?
   e. Maximum reliance on green building or green land-use approaches?
   f. Emergency response planning?
   g. Mitigation or avoidance of occupational safety and health hazards?
   h. Environmental management of mobilization and de-mobilization?
   i. Capacity of the host country recipient organization to sustain the environmental management aspects of the activity after closure and handover?

3. Are there known geological hazards, e.g., faults, landslides, or unstable soil structure, which could affect the activity? If so, how will the project ensure structural integrity?

4. Will the site require grading, trenching, or excavation? Will the activity generate borrow pits? If so, how will these be managed during implementation and closure?

5. Will the activity cause interference with the current drainage systems or conditions? Will it increase the risk of flooding?

6. Will the activity interfere with above- or below-ground utility transmission lines, e.g., communications, water, sewer, or natural gas?

7. Will the activity potentially interfere with vehicle or pedestrian traffic?

8. Does the activity increase the risk of fire, explosion, or hazardous chemical releases?

9. Does the activity require disposal or retrofitting of polychlorinated biphenyl-containing equipment, e.g., transformers or fluorescent light ballasts?

F. Environment, Health, and Safety Consequences

1. Potential impacts to public health and well-being
   a. Will the activity require temporary or permanent property land taking?
b. Will activities require temporary or permanent human resettlement?

c. Will area residents and/or workers be exposed to pesticides, fertilizer, or other toxic substances, e.g., as a result of farming or manufacturing? If so, how will the project:
   i. Ensure that these chemicals do not contaminate ground or surface water?
   ii. Ensure that workers use protective clothing and equipment to prevent exposure?
   iii. Control releases of these substances to air, water, and land?
   iv. Restrict access to the site to reduce the potential for human exposure?

d. Will the activity generate pesticide, chemical, or industrial wastes? Could these wastes potentially contaminate soil, groundwater or surface water?

e. Will chemical containers be stored at the site?

f. Does the activity remove asbestos-containing materials or use of building materials that may contain asbestos, formaldehyde, or other toxic materials? Can the project certify that building materials are non-toxic? If so, how will these wastes be disposed of?

g. Will the activity generate other solid or hazardous wastes such as construction debris, dry or wet cell batteries, florescent tubes, aerosol cans, paint, solvents, etc.? If so, how will this waste be disposed of?

h. Will the activity generate nontoxic, nonhazardous solid wastes (subsequently requiring land resources for disposal)?

i. Will the activity pose the need to handle and dispose of medical wastes? If so, describe measures of ensuring occupational and public health and safety, both onsite and offsite.

j. Does the activity provide a new source of drinking water for a community? If so, how will the project monitor water quality in accordance with health standards?

k. Will the activity potentially disturb soil contaminated with toxic or hazardous materials?

l. Will activities, e.g., construction, refurbishment, demolition, or blasting, result in increased noise or light pollution, which could adversely affect the natural or human environment?

2. Atmospheric and air quality impacts

   a. Will the activity result in increased emission of air pollutants from a vent or as fugitive releases, e.g., soot, sulfur dioxide, oxides of nitrogen, volatile organic compounds, methane.

   b. Will the activity involve burning of wood or biomass?

   c. Will the activity install, operate, maintain, or decommission systems containing ozone depleting substances, e.g., freon or other refrigerants?
d. Will the activity generate an increase in carbon emissions?

e. Will the activity increase odor and/or noise?

3. **Water quality changes and impacts**

   a. How far is the site located from the nearest river, stream, or lake?
   
   b. Will the activity disturb wetland, lacustrine, or riparian areas?
   
   c. What is the depth to groundwater at the site?
   
   d. Will the activity result in increased ground or surface water extraction? If so, what are the volumes? Permit requirements?
   
   e. Will the activity discharge domestic or industrial sewage to surface, ground water, or publicly-owned treatment facility?
   
   f. Does the activity result in increased volumes of storm water run-off and/or is there potential for discharges of potentially contaminated (including suspended solids) storm water?
   
   g. Will the activity result in the runoff of pesticides, fertilizers, or toxic chemicals into surface water or groundwater?
   
   h. Will the activity result in discharge of livestock wastes such as manure or blood into surface water?
   
   i. Does the site require excavation, placing of fill, or substrate removal (e.g., gravel) from a river, stream or lake?

4. **Land use changes and impacts**

   a. Will the activity convert fallow land to agricultural land?
   
   b. Will the activity convert forest land to agricultural land?
   
   c. Will the activity convert agricultural land to commercial, industrial, or residential uses?
   
   d. Will the activity require onsite storage of liquid fuels or hazardous materials in bulk quantities?
   
   e. Will the activity result in natural resource extraction, e.g., granite, limestone, coal, lignite, oil, or gas?
   
   f. Will the activity alter the viewshed of area residents or others?

5. **Impacts to forestry, biodiversity, protected areas and endangered species**

   a. Is the site located adjacent to a protected area, national park, nature preserve, or wildlife refuge?
   
   b. Is the site located in or near threatened or endangered (T&E) species habitat? Is there a plan for identifying T&E species during activity implementation? If T&E species are identified during
implementation, is there a formal process for halting work, avoiding impacts, and notifying authorities?

c. Is the site located in a migratory bird flight or other animal migratory pathway?

d. Will the activity involve harvesting of non-timber forest products, e.g., mushrooms, medicinal and aromatic plants (MAPs), herbs, or woody debris?

e. Will the activity involve tree removal or logging? If so, please describe.

6. Historic or cultural resources

a. Are there cultural or historic sites located at or near the site? If so, what is the distance from these? What is the plan for avoiding disturbance or notifying authorities?

b. Are there unique ethnic or traditional cultures or values present in the site? If so, what is the applicable preservation plan?

G. Further Analysis of Recommended Actions (if the applicable IEE requires the use of ERCs to perform further analysis of recommended actions, then check the appropriate box below. If this analysis is not required, then skip this and proceed with Section H. If required by the IEE, the ERC shall be copied to the Bureau Environmental Officer (BEO)).

☐ 1. Categorical Exclusion: The activity is not likely to have an effect on the natural or physical environment. No further environmental review is required.*

☐ 2. Negative Determination with Conditions: The activity does not have potentially significant adverse environmental, health, or safety effects, but may contribute to minor impacts that can be eliminated or adequately minimized by appropriate mitigation measures. EMMPs shall be developed, approved by the Mission Environmental Officer (MEO) (and the BEO if required by the IEE) prior to beginning the activity, incorporated into workplans, and then implemented. See Sections H and I below.*

☐ 3. Positive Determination: The activity has potentially significant adverse environmental effects and requires further analysis of alternatives, solicitation of stakeholder input, and incorporation of environmental considerations into activity design. A Scoping Statement must be prepared and be submitted to the BEO for approval. Following BEO approval an Environmental Assessment (EA) will be conducted. The activity may not be implemented until the BEO clears the final EA. For activities related to the procurement, use, or training related to pesticides, a PERUSAP will be prepared for BEO approval.

☐ 4. Activity Cancellation: The activity poses significant and unmitigable adverse environmental effects. Adequate EMMPs cannot be developed to eliminate these effects and alternatives are not feasible. The project is not recommended for funding.

*Note regarding applicability related to Pesticides (216.2(e): The exemptions of §216.2(b)(1) and the categorical exclusions of §216.2(c)(2) such as technical assistance, education, and training are not applicable to assistance for the procurement or use of pesticides.

H. EMMPs (Using the format provided below, or its equivalent, list the processes that comprise the activity, then for each, identify impacts requiring further consideration, and for each impact describe the mitigation and monitoring measures that will be implemented to avoid or adequately minimize the impacts. All environment, health, and safety impacts requiring further consideration, which were identified in Section F., should be addressed)

1. Activity-specific environmental mitigation plan (Upon request, the MEO may be able to provide your project with example EMMPs that are specific to your activity.)
**Processes**  
List all the processes that comprise the activity(s)(e.g. asbestos roof removal, installation of toilets, remove and replace flooring) A line should be included for each process.

<table>
<thead>
<tr>
<th>Identified Environmental Impacts</th>
<th>Do the Impacts Require Further Consideration?</th>
<th>Mitigation Measures</th>
<th>Monitoring Indicators</th>
</tr>
</thead>
</table>
| A single process may have several potential impacts—provide a separate line for each. | For each impact, indicate Yes or No; if No, provide justification, e.g.:  
(1) There are no applicable legal requirements including permits or reporting and  
(2) There is no relevant community concern and  
(3) Pollution prevention is not feasible or practical and  
(4) Does not pose a risk because of low severity, frequency, or duration | For each impact requiring further consideration, describe the mitigation measures that will avoid or adequately minimize the impact. (If mitigation measures are well-specified in the IEE, quote directly from IEE.) | Specify indicators to (1) determine if mitigation is in place and (2) successful.  
For example, visual inspections for seepage around pit latrine; sedimentation at stream crossings, etc.) |

---

**2. Activity-specific monitoring plan**

<table>
<thead>
<tr>
<th>Monitoring Indicators</th>
<th>Monitoring and Reporting Frequency</th>
<th>Responsible Parties</th>
<th>Records Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specify indicators to (1) determine if mitigation is in place and (2) successful (for example, visual inspections for seepage around pit latrine; sedimentation at stream crossings, etc.)</td>
<td>For example: “Monitor weekly, and report in quarterly reports. If XXX occurs, immediately inform USAID COR/AOR.”</td>
<td>Separate parties responsible for mitigation from those responsible for reporting, whenever appropriate,</td>
<td>If appropriate, describe types of records generated by the mitigation, monitoring, and reporting process.</td>
</tr>
</tbody>
</table>
I. Certification of No Adverse or Significant Effects on the Environment

I, the undersigned, certify that activity-specific baseline conditions and applicable environmental requirements have been properly assessed; environment, health, and safety impacts requiring further consideration have been comprehensively identified; and that adverse impacts will be effectively avoided or sufficiently minimized by proper implementation of the EMMP(s) in Section G. If new impacts requiring further consideration are identified or new mitigation measures are needed, I will be responsible for notifying the USAID COR/AOR, as soon as practicable. Upon completion of activities, I will submit a **Record of Compliance with Activity-Specific EMMPs** using the format provided in ERC Annex 1 or its equivalent.

_________________________________________
Implementer Project Director/COP Name  
Date

J. Approvals:

_________________________________________
USAID COR/AOR Name  
Date

_________________________________________
Mission Environmental Officer Name  
Date

**Distribution:**
- Project Files
- Bureau Environmental Officer
**RECORD OF COMPLIANCE WITH ACTIVITY-SPECIFIC ENVIRONMENTAL MITIGATION AND MONITORING PLANS (EMMPs)**

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Site or Activity Name/Primary Project Name/IEE DCN Number</th>
</tr>
</thead>
<tbody>
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<td>To:</td>
<td>COR/AOR/Activity Manager Name</td>
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<td>Mission Environmental Officer Name</td>
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</table>

The [name of the implementing organization] has finalized its activities at the [site name] to [describe activities and processes that were undertaken]. This memorandum is to certify that our organization has met all conditions of the EMMPs for this activity. A summary of the how mitigation and monitoring requirements were met is provided below.

1. Mobilization and Site Preparation

2. Activity Implementation Phase

3. Site Closure Phase

4. Activity Handover

Sincerely,

Implementer Project Director/COP Name

Date

Approved:

USAID/COR/AOR/Activity Manager Name

Date

Distribution:

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- Bureau Environmental Officer