INITIAL ENVIRONMENTAL EXAMINATION (IEE)

PROJECT/ACTIVITY DATA:

Development Objective (DO): DO 2: Essential Services for the Poorest and Most Vulnerable (P&V) Improved

Project Location: Indonesia

Project Title: PAD 4: Inclusive Workforce Development (IWD) Project

Funding Period: March 1, 2015-September 30, 2019

Life of Project Funding: $47,250,000

Prepared by:

Jona Lai, USAID/Indonesia

ENVIRONMENTAL ACTION RECOMMENDED:

Categorical Exclusion: X Negative Determination: X

Positive Determination: □ Deferral: □

ADDITIONAL ELEMENTS:
CONCLUSIONS: X

SUMMARY OF FINDINGS:

The USAID Inclusive Workforce Development (IWD) Project is aimed at providing a set of new instruments that can be used in partnership with key workforce development stakeholders, including training institutions, local governments, employers and employers’ associations to improve equitable access to workforce training opportunities for all. All implementing mechanisms are categorical exclusion except for Private Sector Partner Initiatives which are a Negative Determination with Conditions. The IWD Project will include six (6) new implementing mechanisms as outlined below:

1. Private Sector Mapping
2. IWD Key Stakeholder Collaboration/Facilitation
3. Private Sector Partnership Initiatives
4. TA to Improve Quality of IWD Programming
5. Increasing P&V Access to IWD Programs in Polytechnics
6. Employment Information System for Poorest and Most Vulnerable (P&V)

The following threshold determinations are recommended for the IWD project activities across the above six implementing mechanisms:
- A Categorical Exclusion is recommended for the majority of planned Inclusive Workforce Development (IWD) activities, including all activities under the Private Sector Mapping, IWD Key Stakeholder Collaboration/Facilitation, TA to Improve Quality of IWD Programming, Increasing P&V Access to IWD Programs in Polytechnics, and Employment Information System for P&V implementing mechanisms as well as the majority of the planned activities under the Private Sector Partnership Initiatives mechanism. These activities will provide technical assistance and capacity building to improve access to relevant and appropriate IWD training programs for P&V populations and will consist of technical assistance, training, studies, workshops and meetings that do not include laboratory work or field studies and which will not involve actions that have direct or indirect impact on the natural or physical environment. These activities are accorded a Categorical Exclusion pursuant to 22 CFR 216.2(c) (2) (i) for education, technical assistance or training programs; 22 CFR 216.2(c) (2) (iii) for analyses, studies, academic or research workshops and meeting activities; 22 CFR 216.2(c) (2) (v) for documents and information transfers; and 22 CFR 216.2(c) (2) (xiv) for studies and activities intended to build the capacity of the recipient country to engage in development planning.

- A Negative Determination with Conditions is recommended per 22 CFR 216.3(a)(2)(i) for some activities under the Private Sector Partnership Initiatives implementation mechanism that may lead to adverse environmental impacts, such as potential activities submitted to challenges, prizes and/or private sector partnerships. If not designed and implemented using sound environmental safeguards, these activities could have negative impacts on forest and marine biodiversity and ecosystem services. Tab 1 offers guidance on screening of such activities along with illustrative information of identifying environmental impacts and associated monitoring and mitigation measures. USAID/Indonesia’s implementing partner will modify the Environment Review Form (ERF) in Tab 1 as needed with the COR’s concurrence once the technical areas and challenges are identified.

1. BACKGROUND AND ACTIVITY DESCRIPTION

1.1 Purpose and Scope of IEE

Pursuant to 22 CFR 216, an environmental analysis is required for new projects, programs or activities authorized by USAID. All activities under this IEE are new and have not yet been awarded. This IEE provides the first review of the reasonably foreseeable effects on the environment, as well as recommended Threshold Decisions for the activities under the IWD project.

1.2 Background

Under the USAID/Indonesia 2014-2018 Country Development Cooperation Strategy (CDCS), the Inclusive Workforce Development (IWD) Project operates within the framework of Development Objective 2: Essential human services for the poorest and most vulnerable (P&V) improved.
The fundamental challenge of the PAD 4 Team is to ensure that the workforce training program to be designed meets the human resource needs of the burgeoning Indonesian economy and does so in a way that is inclusive, helping to meet the particular training needs of the poor and vulnerable. Most of the training institutions do not currently serve the target population, and those few that do service the poor, offer poor quality training services. The proposed workforce development program outlined below will address these challenges through an institutional approach that will strengthen the Indonesian institutions that deliver workforce development services. In addition, the program will leverage key workforce development stakeholders including the private sector, CSOs which work with our target P&V beneficiaries and the local governments in our project geographic areas to maximize impact and sustainability of program activities.

The development hypothesis of the program is that, by reducing barriers and strengthening the institutions that deliver workforce training, the program will improve equitable access to quality workforce training opportunities for all, including disadvantaged populations.

1.3 Description of Activities:

1.3.1 Private Sector Scoping
(Implementation Period: 3/2015-6/2015; Total Award US$ 500,000)

USAID/Indonesia will carry out an in-depth assessment and mapping of the private sector in order to identify particular sectors and companies/organizations and leadership through which the mission could more effectively address workforce development issues. This mechanism will include meetings and consultations with private companies, mapping exercises in targeted provinces and districts and the development of reports and analyses identifying potentially valuable relationships. In addition, the assessment team would identify potential organizations/business for supporting the prizes and challenges activities.

The Sub IR 2.3.1 Private Sector Scoping will include the following activities:
- education, technical assistance or training programs;
- analyses, studies, academic or research workshops and meetings;
- documents and information transfers

1.3.2 IWD Key Stakeholder Collaboration/Facilitation Support
(Implementation Period: 3/2015-6/2015; Total Award US$ 1,500,000)

A major component of the IWD program is the strengthening of relationships and collaboration between key IWD stakeholders in a region or a sector. This includes the private sector companies, associations and sector or industry groups, local government entities and community or NGO groups which work with P&V populations. The project will engage provide technical assistance, including experts to enable better collaboration and communication between the different Ministries working on IWD at the central level to strengthen P&V focused policies. In addition, consistent engagement with key Indonesian owners and leadership will be essential to mobilize resources and support for the IWF partnership model.
The Sub IR 2.3.1 Private Sector Scoping will include the following activities:
- education, technical assistance or training programs;
- analyses, studies, academic or research workshops and meetings;
- for documents and information transfers.

1.3.3 IWD Partnership Initiatives (Buy Ins and Partnership Support)
(Implementation Period: 8/2015-9/2018; Total Award US$ 15,000,000)

The USAID/Indonesia funding will support several new sub-activities working with the private sector including:

**IWD BAA & Global Development Lab Buy-ins ($2,000,000)**

USAID/Indonesia will use the mission-wide BAA and Global Development LAB Prizes and Challenges mechanisms to identify potential partners and support initial development of co-designed activities through which the mission could more effectively address employment and training opportunities or address other IWD challenges in Indonesia.

The IWD project will establish a series of competitions which will:
- Engage new partners and organizations around key challenges in IWD
- Solicit new ideas from a wide set of potential solvers, and
- Support the application and demonstration of select innovations which will be piloted and scaled up.

The IWD BAA and GDL Buy-in fund the following activities:
- education, technical assistance or training programs;
- analyses, studies, academic or research workshops and meetings;
- documents and information transfers;

**IWD Partnership Support**

As a result of the BAA and Global Development Lab Challenges and Prizes, USAID/Indonesia will further support successful piloted activities by selected private sector companies or associations, CSOs or universities with sub-awards, on specific interventions targeting P&V beneficiaries in targeted provinces.

Illustrative partnerships include potential collaboration with KADIN, APINDO, Volvo, Coca-Cola. These partnerships will include USAID/Indonesia and private sector contribution to joint sub-activities. As such, the sub-activities will need to be screened individually for environment impacts. A sample ERF is provided in Tab 1.

The IWD Partnership Initiatives will include the following activities:
- education, technical assistance or training programs;
- analyses, studies, academic or research workshops and meetings;
- documents and information transfers;
• incentive payments for yet-to-be-identified activities related to challenges, prizes and/or private sector engagement.

1.3.4 Technical Assistance to Improve Quality of WD programming for P&V
(Implementation Period: 12/2015-9/2018; Total Award US$ 13,250,000)

This activity will review existing training programs or work with programs under development to improve relevancy of training, skills matching and encourage hands-on transferable skills development. If needed, curriculum revision and training of instructors and administrators will ensure a realignment of the programs to include working with poor and vulnerable beneficiaries. The training programs will be managed by private and public institutions, or directly by private sector companies.

The Sub-IR 2.1 Technical Assistance to Improve Quality of WD programming for P&V will include the following activities:

• education, technical assistance or training programs;
• analyses, studies, academic or research workshops and meetings;
• documents and information transfers;

1.3.5 Increasing P&V access to IWD programs in Polytechnics
(Implementation Period: 4/2015-9/2018; Total Award US$ 10,000,000)

This activity will consist of two components:

USAID/Indonesia fund a grant to the Asian Development Bank (ADB) to support current activities undertaken by the ADB in conjunction with Indonesian polytechnic institutions to enhance the ability for selected institutions to recruit, assist and train poor and vulnerable students.

The USAID funding will be used to support new sub-activities including:

TA for Financial Aid (FA) Offices within Polytechnics – The grant will provide technical assistance to financial aid offices within polytechnics, where available or help polytechnics establish offices to assist P&V students with financial aid for completion of training programs. The TA will develop scholarships, establish selection criteria, assist the FA offices to design awareness raising campaigns for financial aid and student follow-up programs.

Soft Skills Modules for P&V – in order to ensure maximum completion rates among P&V students, a series of soft skills modules for inclusion into training programs or complementing training programs will be developed for implementation in the ADB funded polytechnics. Illustrative modules include financial literacy and planning, mentorship, worker’s rights, marketing, leadership. Specific attention will be given to incorporating a component on the basic business skills and entrepreneurship training required for successful self-employment and access to micro-credit.
Academic and Social Support Systems – P&V groups face social, economic, physical and legal restrictions that hinder their ability to complete their education, exercise basic human rights and earn a living. The grant identify partner NGOs with experience working with P&V populations located near the selected polytechnics to advocate with local communities, governments and employers to identify potential participants, and ensure better access to information, services and employment opportunities for students and graduates of the training programs.

The Increasing P&V access to IWD programs in Polytechnics project will include the following activities:

- for education, technical assistance or training programs;
- analyses, studies, academic or research workshops and meetings;
- documents and information transfers

1.3.6 Employment Information System (EIS)
(Implementation Period: 12/2015-9/2018; Total Award US$ 5,000,000)

USAID/Indonesia will support an employment information system to increase information flows to potential P&V target beneficiaries. This system is twofold. It will gather and disseminate available, timely information about current labor trends, employment opportunities and employer information. In addition, the system will be a repository of information available training programs, financial and social support resources for all employment seekers.

This EIS will use innovative methods, including collaborations with NGOs, local governments and employers to address major employment issues for P&V including: lack of timely and accurate information about job vacancies, lack of information about skills required by employers, mismatches of labor supply and demand, financial and social barriers to completion of training programs.

The EIS will include a number of activities which qualify for a categorical exclusion, specifically:

- for education, technical assistance or training programs;
- analyses, studies, academic or research workshops and meetings;
- documents and information transfers

2. COUNTRY AND ENVIRONMENTAL INFORMATION

2.1 Locations Affected

IWD projects are anticipated to be located in 5-6 focus provinces, with exact sites to be determined by USAID/Indonesia and its implementing partners. There are expected to be clusters of IWD projects in Jawa Timur, Java Barat and Jawa Tengah, Sumatra Utara, Sulawesi Selatan, Nusa Tenggara Barat. These are mainly priority provinces in the CDCS and also priority areas based on extensive consultation with the private sector, government, and NGOs working with poor and vulnerable populations.
2.2 Applicable Host Country Environmental Policies and Procedures

Environmental Protection and Management Law (No. 32/2009)
The Environmental Protection and Management Law of 2009 establishes a framework for environmental planning, environmental impact analysis and licensing, and rights, responsibilities and penalties. Designed to supplant previous environmental legislation (No. 23/1997), the Law requires regional governments to formulate environmental protection and management plans (RPPLH) and to conduct strategic environmental assessments (KLHS) to be used as a basis for regional development planning. It also stipulates that activities expected to have an impact on the environment are required to undergo an environmental impact analysis (AMDAL) or to develop an environmental management/ environmental monitoring plan (UKL-UPL), depending on the nature of the activity, as a condition for obtaining an environmental license (izin Lingkungan). An AMDAL is equivalent to an Environmental Impact Statement (EIS) by USG definition and is required following a Positive Determination in an IEE. Additional requirements for environmental license holders include mandatory, periodic environmental audits and the establishment of dedicated environmental remediation funds. The Law also includes provisions for the management of hazardous and toxic materials as well as hazardous and toxic waste. Rights of communities and NGOs to file legal claims regarding environmental pollution or damage are expanded under the Law, which also imposes harsher administrative and criminal penalties for violators. The implementation of Environmental Protection and Management Law of 2009 is governed by Ministry of Environment Regulation No. 5/2012.

3. EVALUATION OF ENVIRONMENTAL IMPACTS

The IWD Project activities cover a broad range of interventions, many of which are not expected to have an impact on the environment. 22 CFR 216.2 provides for classification and determination of the potential environmental effects of USAID funded activities, and in selected cases for Categorical Exclusions from these requirements. Among the IWD activities generally accorded a Categorical Exclusion are the following: training and technical assistance; academic analyses and studies; document and information transfers; and programs intended to develop the capability of recipient countries and organizations to engage in development planning.

Certain activities proposed under the project may, however, have impacts on the natural or physical environment if not designed and implemented using sound environmental safeguards, specifically renovations to school or training facilities to increase access for P&V populations and public-private partnerships or training support in certain sectors such as manufacturing, nursing/healthcare fields. Private sector initiatives incentivized and supported under the Private Sector Partnership Initiatives implementation mechanism can also have unintended negative environmental impacts that can only be identified through systematic screening. Some illustrative negative impacts from such activities on biodiversity and ecosystem services are listed in Tab 1. Conditions to mitigate negative impacts to the environment will be proposed in accordance with 22 CFR 216.3(a)(2)(ii) and 22 CFR 216.3(a)(2)(iii).
22 CFR 216.2(d)(1) also enumerates certain classes of action that normally have a significant effect on the environment. These actions always require a Positive Determination and the preparation of an Environmental Assessment or Environmental Impact Statement. No such activities are planned under the IWD project.

22 CFR 216.3(b) details the procedures governing the procurement and use of pesticides by USAID funded activities. The IWD project has no plan to procure or use pesticides. However, if any natural or artificial pesticide is to be used, the required condition is to prepare a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), in accordance with USAID guidance and fulfilling any analytical elements required by 22 CFR 216.3(b)(1)(i)(a-1).

4. RECOMMENDED THRESHOLD DECISIONS AND MITIGATION ACTIONS

4.1 Recommended Threshold Decisions and Conditions

Pursuant to 22 CFR 216.2(c)(1), a Categorical Exclusion is recommended for the majority of foreseen IWD financed activities for which the actions do not have a direct or indirect impact on the natural or physical environment. Specifically, these include all activities under the Private Sector Mapping, IWD Key Stakeholder Collaboration/Facilitation, TA to Improve Quality of IWD Programming, Increasing P&V Access to IWD Programs in Polytechnics, and Employment Information System for P&V implementing mechanisms as well as the majority of the planned activities under the Private Sector Partnership Initiatives mechanism. These activities will consist of technical assistance, training, studies, workshops and meetings that will not have a direct or indirect impact on the natural or physical environment. They fall under the following citations from 22 CFR 216.2(c)(2) as classes of activities that do not require an initial environmental examination and which are not subject to the procedures set forth in 22 CFR 216.3(2), except to the extent provided herein:

- Education, training, technical assistance or training programs except to the extent such programs include activities directly affecting the environment (22 CFR 216.2(c)(2)(i));
- Analyses, studies, academic or research workshops and meetings (22 CFR 216.2(c)(2)(iii)); and
- Document and information transfers (22 CFR 216.2(c)(2)(v)).

Pursuant to 22 CFR 216.3(a)(2)(iii), a Negative Determination with Conditions is recommended for activities under the Private Sector Partnership Initiatives mechanism that may either involve small-scale field studies or research or are going to be implemented through prizes and challenges including private sector engagement. If not designed and implemented using sound environmental safeguards, these activities can have negative impacts on forest and marine biodiversity and ecosystem services.

Accordingly all activities that merit a Negative Determination with Conditions must meet the following conditions:
1. Implementing partners must screen all sub-program or sub-grant activities using an Environmental Review Form (ERF) prior to implementation (see Environmental Review Form Instructions and attached ERF in Tab 1).

2. Implementing partners must develop an Environmental Mitigation and Monitoring Plan (EMMP), and mitigation and monitoring activities must be incorporated into Annual Work Plans and Activity Monitoring and Evaluation Plans.

3. All mitigation and monitoring activities must follow the conditions and guidelines established in the relevant USAID sector guidance for environmental compliance.

4. The Mission Environment Officer (MEO) must approve all EMMPs prior to activity implementation, and EMMPs shall be updated annually in consultation with the COR/AOR.

5. All quarterly and annual performance reports shall include a section dealing with environmental compliance that provides details on indicators, mitigation efficiency and unintended environmental consequences of all activities covered under this IEE.

Public-private partnerships, including GDAs.

- When USAID resources are contributing to pooled resources under a GDA, all programs and activities are subject to USAID environmental procedures and review. Further guidance on GDAs can be found in ADS 204 (http://www.usaid.gov/sites/default/files/documents/1865/204.pdf)

- USAID or implementing partner will conduct and promote due diligence investigations in making the right decision on whether to partner with a particular firm. Four essential areas for investigation comprise the minimum requirements for responsible due diligence and include: corporate image; social responsibility; environmental accountability; and financial soundness. Since due diligence is such a crucial part of the partnering process, documentation of the investigation must be made before embarking on a GDA. The following are illustrative questions in addressing the environmental accountability area of a due diligence investigation:

1. Does the company collect and evaluate adequate and timely information regarding the environmental, health, and safety impacts of their activities?

2. Does the company set targets for improved environmental performance, and regularly monitor progress toward environmental, health, and safety targets?

3. Does the company assess, and address in decision-making, the foreseeable environmental, health, and safety-related impacts associated with the processes, goods and services of the enterprise over their full life cycle? And provide the public and employees with adequate and timely information on the potential environment, health and safety impacts of the activities of the enterprise?

4. Does the company maintain contingency plans for preventing, mitigating, and controlling serious environmental and health damage from their operations, including accidents and emergencies; and mechanisms for immediate reporting to the competent authorities?
5. Does the company continually seek to improve corporate environmental performance, by encouraging, where appropriate, the adoption of technologies and operating procedures in all parts of the enterprise that reflect environmental best practices? Are its products or services designed to have no undue environmental impacts, be safe in their intended use, and be efficient in their consumption of energy and natural resources? Can they be reused, recycled, or disposed of safely?

6. Does the company have a green audit for environmental performance?

7. Does the company have a natural habitats policy? A forestry issues policy?

8. Is the company free from regulatory lawsuits?

The matrix below summarizes the recommended threshold decisions for the six (6) respective projects covered under the IWD IEE.

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<tr>
<th>Mechanism</th>
<th>Implementation Period</th>
<th>Total Award (5 years)</th>
<th>Classes of Action CE</th>
<th>Class of Action ND w/C</th>
<th>Threshold Recommendation</th>
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<tbody>
<tr>
<td>Private Sector Mapping</td>
<td>3/2015 – 6/2015</td>
<td>$500,000</td>
<td>• education, technical assistance or training programs;</td>
<td>Categorical exclusion</td>
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<td>• analyses, studies, workshops and meetings;</td>
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<td>IWD Key Stakeholder Facilitation</td>
<td>8/2015-9/2018</td>
<td>$2,000,000</td>
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<td>Categorical exclusion</td>
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<td>IWD Partnership Initiatives</td>
<td>5/2015 - 4/2020</td>
<td>$15,000,000</td>
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<td>Negative Determination with Conditions</td>
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<td>The IWD project will support and/or incentivize payments for yet-to-be-identified activities linked to challenges, prizes and/or private sector engagement which, if not designed and implemented using sound environmental safeguards, could have negative impacts on forest or marine biodiversity or ecosystem services.</td>
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<td>TA to Improve Quality of</td>
<td>6/2015 – 9/2018</td>
<td>$15,000,000</td>
<td>• education, technical assistance or training programs;</td>
<td>Categorical exclusion</td>
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<td>• analyses, studies, workshops</td>
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<td>Mechanism</td>
<td>Implementation Period</td>
<td>Total Award (5 years)</td>
<td>Classes of Action</td>
<td>Class of Action ND w/C</td>
<td>Threshold Recommendation</td>
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<td>and meetings; • documents and information transfers;</td>
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<tr>
<td>Increasing P&amp;V Access to IWD Programs in Polytechnics</td>
<td>5/2015 – 9/2018</td>
<td>$10,000,000</td>
<td>• education, technical assistance or training programs; • analyses, studies, workshops and meetings; • documents and information transfers;</td>
<td></td>
<td>Categorical exclusion</td>
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<tr>
<td>Employment Information System for P&amp;V</td>
<td>6/2015 – 9/2018</td>
<td>$5,000,000</td>
<td>• education, technical assistance or training programs; • analyses, studies, workshops and meetings; • documents and information transfers; • studies and activities intended to build the capacity of the recipient country to engage in development planning.</td>
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<td>Categorical exclusion</td>
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<td><strong>Total</strong></td>
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<td><strong>$47,500,000</strong></td>
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### 4.2 Mitigation, Monitoring and Evaluation

In addition to the specific conditions enumerated in the Negative with Conditions section, the threshold determinations recommended are contingent on full implementation of the following general monitoring and implementation requirements:

1. **Environmental compliance actions and results in USAID solicitations and awards.** The Contract/Agreement Officer shall include language and reference to this IEE in appropriate solicitations and awards. Suggested language for use in solicitation and awards can be found at the following link: [http://www.usaid.gov/ads/policy/200/204sac](http://www.usaid.gov/ads/policy/200/204sac)

2. **Implementing Partner (IP) Briefings on Environmental Compliance Responsibilities.** The Contract/Agreement Officer Representative (C/AOR) shall provide the IP with a copy of this IEE; the IP shall be briefed on their environmental compliance responsibilities by their C/AOR. During this briefing, the IEE conditions applicable to the IP’s activities will be identified.

3. **Development of Environmental Mitigation and Monitoring Plan (EMMP).** For activities that are subject to one or more conditions set out in the “Recommended Threshold Decision” section of this IEE, the IP shall develop and provide an EMMP for USAID C/AOR review and approval, documenting how their project will implement and verify all IEE conditions that apply to their activities.
The EMMP shall also identify how the IP shall assure that IEE conditions that apply to activities supported under subcontracts and sub-grants are implemented. (In the case of large sub-grants or subcontracts, the IP may elect to require the sub-grantee/subcontractor to develop their own EMMP.)

4. **Integration and implementation of EMMP.** The IP shall integrate the EMMP into their project work plan and budgets, implement the EMMP, and report on its implementation as an element of regular project performance reporting.

The IP shall assure that sub-contractors and sub-grantees integrate implementation of IEE conditions, where applicable, into their own project work plans and budgets and report on their implementation as an element of sub-contract or grant performance reporting.

5. **Integration of environmental compliance responsibilities in sub-contracts and grant agreements.** The IP shall assure that sub-contracts and sub-grant agreements reference and require compliance with relevant elements of the IEE and any attendant conditions.

6. **Assurance of sub-grantee and sub-contractor capacity and compliance.** The IP shall assure that sub-grantees and subcontractors have the capability to implement the relevant requirements of this IEE. The IP shall, as and if appropriate, provide training to sub-grantees and subcontractors in their environmental compliance responsibilities and in environmentally sound design and management (ESDM) of their activities.

7. **Implementing Team monitoring responsibility.** As required by ADS 204.3.4, USAID will actively monitor and evaluate whether there are new or unforeseen consequences arising during implementation that were not identified and reviewed in accordance with 22 CFR 216. USAID shall also monitor the need for additional review. If additional activities not described in this document are added to this program, an amended environmental examination must be prepared and approved.

8. **New or modified activities.** As part of its initial Work Plan, and all Annual Work Plans thereafter, the IP, in collaboration with their C/AOR, shall review all planned and ongoing activities to determine if they are within the scope of this IEE.

If any IP activities are planned that would be outside the scope of this IEE, an amendment to this IEE addressing these activities shall be prepared for USAID review and approval. No such new activities shall be undertaken prior to formal approval of this amendment.

Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID. This includes activities that were previously within the scope of the IEE, but were substantively modified in such a way that they move outside of the scope.

9. **Compliance with Host Country Requirements.** Nothing in this IEE substitutes for or supersedes IP, sub-grantee and subcontractor responsibility for compliance with all applicable host country laws and regulations for all host countries in which activities will be conducted under the USAID activity.

The IP, sub-grantees and subcontractor must comply with each host country’s environmental regulations unless otherwise directed in writing by USAID. However, in case of conflict between host country and USAID regulations, the latter shall govern.

5. **LIMITATIONS OF THE IEE**
This IEE does not cover activities that:

5.1 Normally have a significant effect on the environment under §216.2(d)(1) [See http://www.usaid.gov/our_work/environment/compliance/regulations.html]

5.2 Support project preparation, project feasibility studies, engineering design for activities listed in §216.2(d)(1);

5.3 Affect endangered species;

5.4 Result in wetland or biodiversity degradation or loss;

5.5 Support extractive industries (e.g. mining and quarrying);

5.6 Promote timber harvesting;

5.7 Provide support for regulatory permitting;

5.8 Result in privatization of industrial or infrastructure facilities;

5.9 Lead to new construction of buildings or other structures;

5.10 Assist 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

5.11 Procure or use genetically modified organisms.

Any related changes in scope that results in supporting one or more of the activities listed above will require the IEE to be amended and approved by the USAID Bureau Environment Officer (BEO) for Asia.

6. REVISIONS

Classes of Actions Normally Having a Significant Effect on the Environment: The following classes of actions have been determined generally to have a significant effect on the environment and an Environmental Assessment or Environmental Impact Statement, as appropriate, will be required:

(i) Programs of river basin development;
(ii) Irrigation or water management projects, including dams and impoundments;
(iii) Agricultural land leveling;
(iv) Drainage projects;
(v) Large scale agricultural mechanization;
(vi) New lands development;
(vii) Resettlement projects;
(viii) Penetration road building or road improvement projects;
(ix) Powerplants;
(x) Industrial plants;
(xi) Potable water and sewerage projects other than those that are small scale.
If during implementation, project activities are considered outside of those described in this IEE, an amendment to the IEE shall be submitted. Pursuant to 22 CFR 216.3(a)(9), if new information becomes available which indicates that activities to be funded by the IWD project might be "major" and their effect "significant," this Threshold Decision will be reviewed and revised by the cognizant operating unit and submitted to the BEO/Asia for approval and, if appropriate, an Environmental Assessment will be prepared. The IEE shall also be amended when: (i) funding levels are increased; (ii) time period is extended; and (iii) the scope and nature of the activities are changed.
TAB 1: Instructions for IWD Project Activities Environmental Review Form

Note: These instructions accompany the attached “Environmental Review Form” (ERF).
Follow, but DO NOT SUBMIT, these instructions.

Who must submit the Environmental Review Form (ERF)?
ALL Implementing Partners seeking to implement activities under the ST&I Project must complete, sign and submit the ERF to the ST&I AOR/COR.

Authority: Use of the ERF for these activities is mandated by the governing Initial Environmental Examination (IEE) for the ST&I Project.

No implementation without an approved ERF
The proposed activities cannot be implemented and no “irreversible commitment of resources” for these activities can be made until the ERF (including Environmental Review Report, if required, see Step 4, below) is cleared by the AOR/COR, the Mission Environmental Officer (MEO) and the Regional Environmental Advisor (REA).

NOTE: USAID may deny clearance to the ERF, or may require modification and re-submission for clearance.

Environmental management requirements resulting from the ERF
If the ERF requires preparation of an Environmental Review Report (see Step 4, below), any environmental management measures specified in the approved Environmental Review Report MUST be implemented.

Situations in which additional environmental review is required
If the ERF finds that one or more of the proposed activities has the potential to cause significant adverse environmental impacts, the activities must be redesigned or a full Environmental Assessment must be conducted and approved prior to implementation.

If USAID determines that the proposed activities are outside the scope of activities for which use of this form is authorized, the activities must be redesigned or an IEE or IEE Amendment will be required.

In either situation, USAID will confer with the partner to determine next steps. Note: If an IEE or EA is required, all environmental management measures specified in the IEE or EA must then be implemented.

Step 1. Provide requested “Applicant information” (Section A of the ERF)
Step 2. List all proposed activities In Section B of the form, list all proposed activities.

Activities are a desired accomplishment or output: e.g. seedling production, road rehabilitation, school construction. Each activity has entailed actions—for example, road rehabilitation includes survey, grading, culvert construction, compaction, etc. Be aware of these entailed actions, but do NOT list them.

List activities DESCRIPTIVELY. For example, “training” is not a sufficient activity listing. The listing must specify WHO is being trained, and in WHAT.

Step 3a. Screening: Identify low-risk and high-risk activities
For each activity you have listed in Section B of the form, refer to the list below to determine whether it is a listed low-risk or high-risk activity.
If an activity is specifically identified as “very low risk” or “high risk” in the list below, indicate this in the “screening result” column in Section B of the form.

### Very low-risk activities
(Activities with low potential for adverse biophysical or health impacts; including §216.2(c)(2))

- **Provision of education, technical assistance, or training.** (Note that activities directly affecting the environment do not qualify).
- **Community awareness initiatives.**
- **Controlled agricultural experimentation** exclusively for the purpose of research and field evaluation confined to small areas (normally under 4 ha./10 acres). This must be carefully monitored and no protected or other sensitive environmental areas may be affected.
- **Technical studies and analyses** and other information generation activities not involving intrusive sampling of endangered species or critical habitats.
- **Document or information transfers. Small-scale construction.** Construction or repair of facilities if total surface area to be disturbed is less than 10,000 sq. ft. (approx. 1,000 sq. m) and when no protected or other sensitive environmental areas could be affected.
- **Intermediate credit.** Support for intermediate credit arrangements (when no significant biophysical environmental impact can reasonably be expected).
- **Title II Activities.** Food for development programs under Title III of P.L. 480, when no on-the-ground biophysical interventions are likely.
- **Capacity for development.** Studies or programs intended to develop the capability of recipients to engage in development planning. (Does NOT include activities directly affecting the environment).
- **Small-scale natural resource management activities** for which the answer to ALL SUPPLEMENTAL SCREENING QUESTIONS (see Natural Resources supplement) is “NO.”

### High-risk activities
(Activities with high potential for adverse biophysical or health impacts; including §216.2(d)(1))

- **River basin development.**
- **New lands development.**
- **Planned resettlement** of human populations.
- **Penetration road building, or rehabilitation of roads** (primary, secondary, some tertiary) over 10 km length, and any roads which may pass through or near relatively un-degraded forest lands or other sensitive ecological areas.
- **Substantial piped water supply and sewage system construction.**
- **Major bore hole or water point construction.**
- **Large-scale irrigation; Water management structures** such as dams and impoundments.
- **Drainage of wetlands or other permanently flooded areas.**
- **Large-scale agricultural mechanization.** Agricultural land leveling.
- **Procurement or use of restricted use pesticides, or wide-area application in non-emergency conditions under non-supervised conditions (Consult MEO).**
- **Light industrial plant production or processing** (e.g., sawmill operation, agro-industrial processing of forestry products, fisheries, tanneries, cloth-dyeing operations).

### High-risk and typically not funded by USAID:

**Actions affecting protected areas and species.** Actions determined likely to significantly degrade protected areas. Actions determined likely to jeopardize threatened & endangered species or adversely modify their habitat (esp. marine areas, mangroves, wetlands, tropical forests)

**Activities including:**
- Conversion of forest lands to rearing of livestock
- Planned colonization of forest lands
- Procurement or use of timber harvesting equipment
- Commercial extraction of timber
- Construction of dams or other water control structures
- Construction, upgrading or maintenance of roads that pass through relatively non-degraded forest lands. (Includes temporary haul roads for logging or other extractive industries)

(This list of activities is taken from the text of 22 CFR 216 and other applicable laws, regulations and directives).

**Step 3b: Identifying activities of unknown or moderate risk.**

All activities NOT identified as “very low risk” or “very high risk” are considered to be of “unknown or moderate risk.” Common examples of moderate-risk activities are given in the table below.
Check “moderate or unknown risk” under screening results in Section B of the form for ALL such activities.

**Common examples of moderate-risk activities**

**CAUTION:** If ANY of the activities listed in this table may adversely impact (1) protected areas, (2) other sensitive environmental areas, or (3) threatened and endangered species and their habitat, THEY ARE NOT MODERATE RISK. All such activities are HIGH RISK ACTIVITIES.

<table>
<thead>
<tr>
<th>Small-scale agriculture, NRM, sanitation, etc.</th>
<th>Quantity imports of commodities such as fertilizers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural experimentation. Controlled and carefully monitored agricultural experimentation exclusively for the purpose of research and field evaluation of MORE than 4 ha.</td>
<td>Sampling. Technical studies and analyses or similar activities that could involve intrusive sampling, of endangered species or critical habitats. (Includes aerial sampling).</td>
</tr>
<tr>
<td>NOTE Biotechnology/GMOs: No biotechnology testing or release of any kind are to take place within an assisted country until the host countries involved have drafted and approved a regulatory framework governing biotechnology and biosafety. All USAID-funded interventions which involve biotechnologies are to be informed by the ADS 211 series governing &quot;Biosafety Procedures for Genetic Engineering Research&quot;. In particular this guidance details the required written approval procedures needed before transferring or releasing GE products to the field.</td>
<td>Water provision/storage. Construction or rehabilitation of small-scale water points or water storage devices for domestic or non-domestic use. Water points must be located where no protected or other sensitive environmental areas could be affected.</td>
</tr>
<tr>
<td>NOTE: USAID guidance on water quality requires testing for arsenic, nitrates, nitrites and coliform bacteria.</td>
<td>NOTE: USAID guidance on water quality requires testing for arsenic, nitrates, nitrites and coliform bacteria.</td>
</tr>
<tr>
<td>Medium-scale construction. Construction or rehabilitation of facilities or structures in which the surface area to be disturbed exceeds 10,000 sq. ft. (1000 sq. meters) but funding level is $200,000 or less. (E.g. small warehouses, farm packing sheds, agricultural trading posts, produce market centers, and community training centers).</td>
<td>Support for intermediate credit institutions when indirect environmental harm conceivably could result.</td>
</tr>
<tr>
<td>Rural roads. Rehabilitation of rural roads meeting the following criteria:</td>
<td>Institutional support grants to NGOs/PVOs when the activities of the organizations are known and may reasonably have adverse environmental impact.</td>
</tr>
<tr>
<td>- Length of road work is less than ~10 km.</td>
<td>Pesticides. Small-scale use of USEPA-registered, least-toxic general-use pesticides. Use must be limited to NGO-supervised use by farmers, demonstration, training and education, or emergency assistance.</td>
</tr>
<tr>
<td>- No change in alignment or right of way.</td>
<td>NOTE: Environmental review (see step 5) must be carried out consistent with USAID Pesticide Procedures as required in Reg. 16 [22 CFR 216.3(b)(I)].</td>
</tr>
<tr>
<td>- Ecologically sensitive areas are at least 100 m away from the road and not affected by construction or changes in drainage.</td>
<td>Nutrition, health care or family planning, if (a) some included activities could directly affect the environment (e.g., construction, supply systems, etc.) or (b) hazardous healthcare waste (esp. HIV/AIDS) is produced, syringes are used, or blood is tested.</td>
</tr>
<tr>
<td>- No protected areas or relatively un-degraded forest are within 5 km of the road.</td>
<td></td>
</tr>
</tbody>
</table>

**Title II & III Small-Scale Infrastructure. Food for Development programs under Title II or III, involving small-scale infrastructure with the known potential to cause environmental harm (e.g., roads, bore holes).**
Step 4. Determine if you must write an Environmental Review Report
Examine the “screening results” as you have entered them in Table 1 of the form.

i. If ALL the activities are “very low risk,” then no further review is necessary. In Section C of the form, check the box labeled “very low risk activities.” Skip to Step 8 of these instructions.

ii. If ANY activities are “unknown or moderate risk,” you MUST complete an ENVIRONMENTAL REVIEW REPORT addressing these activities. Proceed to Step 5.

iii. If ANY activities are “high risk,” note that USAID’s regulations usually require a full environmental assessment study (EA). Because these activities are assumed to have a high probability of causing significant, adverse environmental impacts, they are closely scrutinized. Any proposed high-risk activity should be discussed in advance with USAID. Activity re-design is often indicated.

In some cases, it is possible that reasonable, achievable mitigation and monitoring can reduce or eliminate likely impacts so that a full EA will not be required. If the applicant believes this to be the case, the Environmental Review Report must argue this case clearly and thoroughly. Proceed to Step 5.

Step 5. Write the Environmental Review Report, if required
The Environmental Review Report presents the environmental issues associated with the proposed activities. It also documents mitigation and monitoring commitments. Its purpose is to allow the applicant and USAID to evaluate the likely environmental impacts of the project.

For a single, moderate risk activity, the Environmental Review Report is typically a SHORT 4–5 page document. The Report will typically be longer for (1) multiple activities; (2) activities of high or unknown risk; and/or (3) when a number of impacts and mitigation measures are being identified and discussed.

The Environmental Review Report follows the outline below. Alternate outlines are acceptable, so long as all required information is covered.

A. Summary of Proposal. Very briefly summarize background, rationale and outputs/results expected. (Reference proposal, if appropriate).

B. Description of Activities. For all moderate and high-risk activities listed in Section B of the ERF, succinctly describe location, setting, surroundings (include a map, even a sketch map). Provide both quantitative and qualitative information about actions needed during all project phases and who will undertake them. (All of this information can be provided in a table). If various alternatives have been considered and rejected because the proposed activity is considered more environmentally sound, explain these.

C. Site-specific Environmental Situation & Host Country Requirements. Describe the environmental characteristics of the site(s) where the proposed activities will take place. Focus on site characteristics of concern—e.g., water supplies, animal habitat, steep slopes, etc. With regard to these critical characteristics, is the environmental situation at the site degrading, improving, or stable?
Also note applicable host country environmental regulations and/or policies. (For example, does the project require host country environmental review or permitting? Building approval? etc.)

NOTE: provide site-specific information in this section, NOT country-level information. General information about country-level conditions should already be contained in the IEE governing the IWD Project.

D. Environmental Issues, Mitigation Actions, and Findings. For ALL proposed activities

i. Briefly note the potential environmental impacts or concerns presented by the proposed activities (if any).

Consider direct, indirect and cumulative impacts across the activity lifecycle (i.e. impacts of site selection, construction, and operation, as well as any problems that might arise with abandoning, restoring or reusing the site at the end of the anticipated life of the facility or activity). Note that “environment” includes air, water, geology, soils, vegetation, wildlife, aquatic resources, historic, archaeological or other cultural resources, people and their communities, land use, traffic, waste disposal, water supply, energy, etc.)

ii. Assess the extent to which these potential impacts and concerns are significant in the context of the specific activity design and site.

iii. Set out the mitigation actions to be employed to address these issues.

iv. Reach one of three findings regarding the potential impacts:

   a. Significant adverse impacts are very unlikely. Of its nature, the activity in question is very unlikely to result in significant, adverse environmental impacts. Special mitigation or monitoring is not required. (Note: this conclusion is rarely appropriate for high-risk activities.)

   b. With implementation of the specified mitigation and monitoring, significant adverse impacts are very unlikely.

   c. Significant adverse impacts are possible. That is, it is not possible to rule out significant adverse environmental impacts even given reasonable, attainable mitigation and monitoring.

   In this case, USAID and the partner will consult regarding next steps. If the activity is to go forward in its current form, additional analysis in the form of an IEE or EA will be required.

E. Format and structure of Environmental Review Report.

Choose a format and structure that presents the necessary information clearly and succinctly. Table formats can be used.

See the illustrative impacts and mitigations measures for sample proposed activities below:
F. Environmental Mitigation and Monitoring Plan (EMMP).

Set out how compliance with mitigation actions will be monitored/verified. This includes specifying WHO will be responsible for the various mitigation actions, and HOW implementation of the mitigation actions will be tracked/verified.

Also specify how you will report to USAID on the implementation of mitigation actions. (You are REQUIRED to provide your COR/AOR with sufficient information on the status of mitigation implementation for USAID to effectively fulfill its oversight and performance monitoring role.)

Again, choose a format and structure that presents the necessary information clearly and succinctly. EMMPs are typically in table format, and often include a compliance log or “monitoring record” section that records implementation status of the various mitigation actions. The EMMP with current monitoring log can then simply be submitted to the COR/AOR with the quarterly or 6-month project report, satisfying the environmental compliance reporting requirement. The most basic EMMP format is:

<table>
<thead>
<tr>
<th>Technical Assistance Where Actions, Will Impact the Environment</th>
<th>Best Practices Can Cancel Advantages of the Practice</th>
<th>Monitoring Should Be Part of the Curriculum and/or the Technical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimentation, Technical Studies and Monitoring.</td>
<td>- Large scale and intrusive research can cause negative impacts such as soil erosion, habitat/behavior disturbance or degradation.</td>
<td>- Keep field research plots small;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Intrusive sampling should be minimized and carefully monitored;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Sampling should not disturb critical behaviors of organisms involved;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Permanent plots should be GIS located and should be sited and monitored to minimize erosion or other habitat disturbance.</td>
</tr>
<tr>
<td>Small Scale Laboratory Work and Field Studies, to Include Small Scale Specimen Collection from Coastal Areas, Mangroves, Forests, or Agricultural Land</td>
<td>- Damage to animal habitat or environmental sensitive areas;</td>
<td>- Avoid damaging vegetation;</td>
</tr>
<tr>
<td></td>
<td>- Cause pollution, fire and damage human health.</td>
<td>- Re-vegetate areas altered during the work. Do not remove erosion control measures until re-vegetation is completed;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Ensure that collection, storage, use and disposal of laboratory material, including both biological and chemicals materials is environmentally sound that steps are taken to protect human health and safety and the environment.</td>
</tr>
<tr>
<td>Policy Development (Not Related to Environmental Protection)</td>
<td>- Perverse incentives for natural resource exploitation or environmental degradation</td>
<td>- Technical review of potential environmental impacts;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Technical assistance to modify perverse policies and regulations.</td>
</tr>
</tbody>
</table>
Activity 1: [name of activity]
[briefly describe activity & summarize potential adverse environmental impacts—from IEE]

<table>
<thead>
<tr>
<th>IEE Condition</th>
<th>Specific Mitigation Measures</th>
<th>How it will be monitored</th>
<th>Timing &amp; Responsible Parties</th>
<th>Estimated Costs</th>
<th>Monitoring Log</th>
<th>Date</th>
<th>Result</th>
<th>Follow-up Corrective Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Reproduced from IEE]</td>
<td>[Specific action to be taken to comply with the condition.] (if an IEE condition is already specific to the project/activity and implementation actions self-evident, this “translation step” can be omitted)</td>
<td>[How will the project verify that the mitigation action is being implemented and is both effective and sufficient?]</td>
<td>[Who is responsible for mitigation, monitoring, reporting? Timing/frequency of these actions]</td>
<td>[Estimated costs of mitigation and monitoring, or budget notes that allow such an estimate to be made. Pass on to the project budgeting team.]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A single IEE/EIA condition may require multiple mitigation actions to implement—add rows as necessary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For additional EMMP formats and examples, see the ENCAP EMMP factsheet: www.encapafrika.org/meoEntry.htm

**Environmental Review Form Instructions**

**G. Other Information.** Where possible and as appropriate, include photos of the site and surroundings; maps; and list the names of any reference materials or individuals consulted.

(Pictures and maps of the site can substantially reduce the written description required in parts B & C)
APPROVAL OF ENVIRONMENTAL ACTION RECOMMENDED
By signing below, you approve the IEE for the Inclusive Workforce Development Project.

MISSION ENVIRONMENTAL OFFICER CLEARANCE:

MEO: [Signature] Date: Dec 23 2014
Milen Vollen
USAID/Indonesia – Mission Environment Officer

ADDITIONAL CLEARANCE:

EDU: [Signature] Date: 12/03/2014
Peter Cronin
USAID/Indonesia – Acting Director of Education Office

REA: [Clearance: cleared by email] Date: 1/6/2015
Aaron Brownell
USAID/RDMA – Regional Environmental Advisor, Southeast Asia and Pacific

RLA: [Signature] Date: 1/6/15
Eric Davis
USAID/Indonesia – Regional Legal Advisor

DDM: [Signature] Date: 1/9/15
Nancy Fisher Gormley
USAID/Indonesia – Acting Deputy Mission Director

DECISION OF USAID/INDONESIA MISSION DIRECTOR:

DIR: [Signature] Date: 1/9/15
Andrew B. Sisson
USAID/Indonesia – Mission Director

Approved: ☑
Disapproved: ☐
DECISION OF THE ASIA BUREAU ENVIRONMENTAL OFFICER
By signing below, you concur with the IEE for the Inclusive Workforce Development Project.

ASIA: ___________________________ Date: __________

William Gibson
Asia Bureau Environmental Officer

CC: Project File
    MEO tracking system
    OAA
    Mary Melnyk
Hi Milen,

Attached to this email are suggested edits and comments in track changes for the IEE for Inclusive Workforce Development. The prudent approach to this IEE is similar to ST&I. IEE.

I was not sure if work in promoting GAs and PPPs is a part of the scope. If it is, I included some suggested conditions. If it is not, please feel free to delete.

In any case, I lean on the IEE for Inclusive Workforce Development pending these suggested edits.

If you have any questions, please let me know.

Many thanks,

Aaron