INITIAL ENVIRONMENTAL EXAMINATION

PROGRAM/ACTIVITY DATA:

IEE Amendment: Yes X No If yes, date of original IEE: June 20, 2007

IEE Prepared by: Dorian Mead/E3/E&I/E
Name/Office June 24, 2016
Date

Program/Activity Number: EPP-A-00-07-00008-00

IEE Number: E3-16-29

Country/Region: Worldwide Program/Activity Title: USEA Energy Utility Partnership Program (EUPP)

Funding Begin: 30 September 2007 Funding End: 30 September 2017
LOP Amount: $32,000,000

USAID decided to implement the option to extend the life of the agreement through the end of fiscal year 2017 and to increase the ceiling to $32,000,000.

ENVIRONMENTAL ACTION RECOMMENDED:
Categorical Exclusion: ___ Negative Determination with Conditions: X
Positive Determination: _______ Deferral: ___

APPROVAL OF ENVIRONMENTAL DETERMINATION:

Environmental Determination Prepared by:

EGAT/I&E/E: E3/E&I/E Dorian Mead

Date: 6/24/2016

Environmental Determination Requested: Negative Determination with Conditions

Division Chief: E3/E&I/E, Jeff Haeni

Date: 6/24/2016

Office Director: E3/E&I, Reed Aeshliman

Date: 6/24/2016

Approval:
Bureau Environmental Officer: E3/GCC, Teresa Bernhard

Date: 6/24/16
Initial Environmental Examination

Background:

This IEE further amends the previous Energy Utility Partnership Program (EUPP) IEE which was signed on September 20, 2007. The reason for the amendment is due to granted approval for an extension of the agreement to September 30, 2017 and a ceiling increase to $32,000,000 with no change in scope or environmental and social conditions.

Program Description:

The USEA is a non-profit association of 160 public and private energy-related organizations, corporations, and government agencies. USEA represents the broad interests of the U.S. energy sector and is the U.S. member of the World Energy Council. USEA is devoted to increasing the understanding of energy issues, both domestically and internationally.

In September 2007, USAID entered into a Cooperative Agreement with USEA to establish the EUPP, voluntary partnerships between energy utilities, energy system operators, energy markets and other energy service providers in USAID-assisted countries and their counterparts in the United States. By designing problem-focused executive exchange visits and workshops, EUPP enables peer-to-peer partnerships to share real experiences and "best practices" in the day-to-day planning, operation, and management of utilities and other energy service providers.

Since 2007, the EUPP has established seven partnerships – including the Jordan Transmission, and Jordan Distribution Partnerships, the South/Central Asia Best Practices Partnerships, Central Africa, Afghanistan/Central Asia, Bangladesh and Southern Africa. Partnerships generally cost around $200,000 - $300,000 and include 4-6 executive exchanges over 2-3 years. Presently, several USAID Missions and Bureaus have expressed interest in buying-into the agreement; for example, USAID/Africa Bureau, USAID/E3 Climate Change Coordinator, and USAID/Indonesia.

Under EUPP, the Africa Bureau has launched a new partnership with the Geothermal Energy Association to support geothermal development in Africa. African geothermal development has been a priority of Kit Batten, USAID’s Climate Change Coordinator and Todd Stern, the Special Envoy for Climate Change at State. In addition, since the launch of Power Africa in July 2013, the EUPP has vastly expanded its activities throughout Sub-Saharan Africa.

Findings:

Categorical Exclusions: EUPP2 program activities, except for those described in Section 3.2 below, are all subject to categorical exclusion under 22 CFR Part 216(c). None of these activities will "have an effect on the natural or physical environment." Moreover, a significant number of these activities are or were designed to mitigate adverse environmental effects or improve environmental management in developing countries. 22 CFR Part 216 explicitly provides an exclusion for such activities as follows:

- per 22 CFR 216.2(c)(i) for activities limited to education, technical assistance or training programs provided to Counterpart utilities, national and local government entities and others which do not directly affect the environment (such as through construction or installation of equipment).
- per 22 CFR 216.2(c)(ii) for activities limited to controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored.
- per 22 CFR 216.2(c)(iii) for activities limited to the performance of analyses, studies, academic or research workshops and meetings.
- per 22 CFR 216.2(v) for activities limited to document and information transfers.
- per 22 CFR 216.2(c)(xiv) for activities limited to 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.).
The substantial majority and perhaps all EUPP Program activities will be limited to training, education, technical assistance and institutional capacity building to which the above exclusions apply, with the result that 22 CFR Part 216 (c) accepts that there will be no adverse environmental effect from such activities. Moreover, to the extent that follow-up activities conducted entirely by Counterparts or others do involve construction or otherwise impose an effect upon the environment, these activities will not be managed, controlled or within the knowledge of USAID or USEA, nor does the objective of USAID's assistance under EUPP require such knowledge or control. (See 22 CFR 216.2(c)(1)(ii))

**Negative Determination with Conditions:** A Negative Determination with Condition is recommended pursuant to 22 CFR 216.3(a)(2) for activities that may not be subject to categorical exclusion, including particularly (i) all proposed equipment, procurement and installation activities, if any, and (ii) all institutional capacity building activities in development planning that are designed to result in equipment installation and construction. USEA shall urge its US Partners to advise Counterparts engaged in such activities, if any, of established best practices to mitigate possible adverse environmental impacts of matters addressed in USEA programs. In addition, USEA shall urge its US Partners to consult industry and government accepted standards in the United States and abroad to assure identification and application in all program activities of best technical and environmental mitigation practices. Such standards, as appropriate and reflecting any need for modification based on sound engineering judgment to meet the requirements of Counterpart application, shall be employed where appropriate in all training, education, technical assistance and institutional capacity building under the EUPP.

Such standards may include but are not limited to the following:

- **USEA member Environmental Codes of Conduct and Mission Statements.**
- **The US National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.) and all related regulations.**
- **Standards and rules of the United States Environmental Protection Agency (for example pollution limitations or operating standards set forth at 40 CFR Parts 50, 52, 60 & 62 among others); the Federal Energy Regulatory Commission and State Utility Regulators, United States Regional Transmission Organizations and State Environmental Regulators as applied in USEA member operations.**
- **Standards and rules of the World Bank, the Asian Development Bank or other appropriate donor organizations with which USEA members may be familiar, such as the World Bank Group Thermal Power Guidelines for New Plants & Environmental Assessment Sourcebook, Asian Development Bank Environmental Assessment Guidelines and International Finance Corporation Environmental Health and Safety Guidelines (including particularly the specialized Power guidelines).**
- **Standards and rules established by the American National Standards Institute, the Institute of Electrical & Electronics Engineers, Inc. (IEEE) and similar international organizations.**

USEA shall advise USAID of how it has implemented this Environmental Mitigation Condition in all Quarterly, Annual and Final Reports required to be filed with USAID. In implementation of this condition, USAID shall respect the special characteristics and objectives of the relationship between developing country participants and USEA members sought to be created in USEA executive partnerships, the volunteer character of the involvement of most USEA Partners as well as the limited Management oversight and direction which USAID can impose on Cooperative Agreement implementation under the Federal Acquisition Regulation. Also, typically, Donors will have already provided, separate from the USEA Program, technical assistance, education and training on development and implementation of appropriate Government environmental effects review, mitigation and decisional processes, which may limit the need for addressing environmental matters in this program. Finally, it is anticipated that application of the above standards to USEA program activities will often be "automatic" since USEA Partner management or other processes communicated to counterparts as the principal focus of many partnership activities are designed already to comply with these standards in their United States application.

New activities introduced into the project which are substantially different from those presented in this IEE require submission of an amended IEE to the E3Bureau Environmental Officer. No such activities will be conducted prior to receiving approval of the amended IEE from the BEO. As required by ADS 204.5.4, AED and the USAID CTO will actively monitor ongoing activities for compliance with approved IEE recommendations, and modify or end activities that are not in compliance.
This IQC will continue to be used to promote more efficient generation, transmission, distribution and use of energy in USAID client countries. The technical assistance activities carried out by the contractor generally fall into the following three broad categories:

- Activities to establish the necessary legal, regulatory, and managerial conditions (i.e., the enabling environment and institutional capacity) for effective governance of the energy sector, for regional energy cooperation and exchange, and for sectors in which energy is a determining factor.

- Activities to improve the technical efficiency and operational performance of institutions (utilities, energy service companies, businesses, NGOs, etc.) that operate under the existing and new enabling environment.

- Activities to assist consumers of energy in addressing the various social, economic and political dimensions of energy service provision, including off-grid energy service provision, and in participating in the decision-making regarding such provision.

Conditions required previously remain unchanged and continue to be in force. In summary, they are:

- For all activities not qualifying for a categorical exclusion, including (i) all proposed equipment procurement and installation activities, and (ii) all technical assistance and/or capacity building activities that are designed to result in equipment installation or construction. All such activities shall be implemented using established best practices to mitigate possible adverse environmental impacts, including implementation of beneficial practices as outlined in Agency and Bureau specific environmental guidelines. In addition, the Contractors shall consult industry and government accepted standards in the United States and abroad to assure identification and application of best technical and environmental effect mitigation practices in all direct design and installation work and in all technical assistance, training/education, and institutional capacity building of government and community organizations.

- To assure the employment of best practices and thereby minimize any environmental effects,
  - In a manner appropriate for the specific task order and activity, the Contractors shall, at the direction of the COR, prepare and provide to electric utilities and/or national and local government entities, one or more White Papers on mitigating adverse environmental effects in electrification/distribution system expansion, including best practices in facility planning, siting, installation and construction, and shall employ such practices in all activities performed, technical assistance or training/education.
  - In a manner appropriate for the specific task order and activity, the Contractors shall advise the national government(s) of any environmental laws that may be applicable to the program, and shall provide any education, training or technical assistance required to assist the government(s) in achieving such compliance after securing approval of the COR. Fulfilling this requirement includes creating capacity to comply with potential donor and investor environmental impact assessment requirements as well as host country environmental impact assessment laws, regulations and procedures.
  - As part of any request for approval of equipment purchase and installation, a separate initial environmental examination (IEE) will be required, as an amendment to this IEE. If the potential impacts are significant, resulting in a Positive Determination, an activity specific scoping exercise and preparation of an Environmental Assessment (EA), consistent with 22 CFR 216.3, will be required of the contractor and no such activity may proceed until review and approval of the EA by the Bureau Environmental Officer.