1. Background and Project Description

1.1. Purpose and Scope of IEE

The purpose of this three-year, $4 million public-private partnership activity, whereby USAID’s total estimated contribution is $1.89 million, is to introduce new seed production technologies, certified high quality seeds, and new potato genotypes in Georgia.

1.2. Project Overview and Description

The activity will establish a potato seed production facility that will improve seed health and strengthen the potato production management systems. It will also establish a Potato Producers’ Network, a farmers’ association, which will serve as a hub for providing technical and marketing support to potato farmers. The activity will benefit at least 15,000 farmers by increasing productivity, improving quality, and reducing costs. In addition, at least 300 farmers will be involved in the production of potato seeds; furthermore,
supported farmers will be able to double their average incomes. This activity leverages resources from private sector actors and collaborates with local institutions in order to ensure sustainability. Ltd Mziani Mosavali, a leading agricultural company specializing in production of table potatoes and potatoes for processing, will invest $300,000 in cash for operations and $1.7 million in-kind in existing infrastructure, and the Austrian Development Agency will make an in-kind contribution of $107,690 in support of this partnership activity. The activity will also collaborate closely with the Ministry of Environmental Protection and Agriculture and its Scientific-Research Center to strengthen their extension system targeting the potato sector in order to ensure that interventions exist and operate beyond the life of the activity.

2. **Baseline Environmental Information**

   2.1. Locations Affected and Environmental Context
   2.2. Description of Applicable Environmental and Natural Resource Legal Requirements Policies, Laws, and Regulations
   2.3. Country/Ministry/Municipality Environmental Capacity Analysis
   2.4. Sustainability Analysis
   2.5. Climate Change Vulnerability Analysis

Baseline Environmental Information will be completed when activities are defined that enable a recommended environmental determination to be made. USAID shall amend the IEE with a Supplemental IEE for the subject program.

**Analysis of Potential Environmental Impact**

Analysis of Potential Environmental Impact will be completed when activities are defined that enable a recommended environmental determination to be made; USAID shall amend the IEE with a Supplemental IEE for the subject program.

3. **Recommended Environmental Actions**

   3.1. Recommended Mitigation Measures

   A deferral is requested for the new Modernizing the Potato Seed Sector to Improve Rural Livelihoods in Georgia program. Recommended Mitigation Measures will be provided, when activities are defined that enable a recommended environmental determination to be made. USAID shall amend the IEE with a Supplemental IEE for the subject program. No activities may proceed until the Supplemental IEE is approved by the BEO.

   3.2. Recommended Environmental Determination:

   A deferral is requested for the new Modernizing the Potato Seed Sector to Improve Rural Livelihoods in Georgia Program.

   3.3. Terms and Conditions:

   3.3.1. USAID/Georgia shall ensure that an environmental review will be completed prior to sub-obligation of funds.
3.3.2. Once activities are delineated that enable a recommended environmental determination to be made, USAID shall amend the IEE with a Supplemental IEE for the subject program.

3.3.3. Activities subject to a deferral may not be awarded prior to the Bureau Environmental Officer’s approval of appropriate environmental review documentation.

4. **Mandatory Inclusion of Requirements in Solicitations, Awards, Budgets and Workplans**

4.1. 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.

4.2. Solicitations shall include Statements of Work with task(s) for meeting environmental compliance requirements and appropriate evaluation criteria.

4.3. Environmental mitigation and monitoring requirements, when available, shall also be included in solicitations and awards.

4.4. The IP shall incorporate conditions set forth in this IEE into their annual work plans.

4.5. The IP shall ensure annual work plans do not prescribe activities that are defined as limitations, as defined in Section 5.

4.6. The USAID Mission will include an indicator for environmental compliance as part of the project’s performance monitoring plan. [If an IEE has a threshold determination of negative determination with conditions, then a possible indicator is if the IP did the ERC/EMMP.]

5. **Limitations of the IEE:** This IEE does not cover activities (and therefore should changes in scope implicate any of the issues/activities listed below, a BEO-approved amendment shall be required), 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.
6. **Revisions**

6.1. 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 COR/AOR to keep the MEO and BEO informed of any new information or changes in the activity that might require revision of this IEE.

7. **Recommended determination deferral clearances and approval to cover new “Modernizing the Potato Seed Sector to Improve Rural Livelihoods in Georgia” project**

**Approval:**

[Signature]

Peter A Wiebler, Mission Director

Date: 11/15/18

**Clearance:**

by email

Gocha Lobzhanidze, Mission Environmental Officer

Date: 10/16/18

**Clearance:**

DT

David Tsiklauri, Activity Manager

Date: 10/17/18

**Concurrence:**

Mark Kamiya
E&E Bureau Environmental Officer

Date: 11/15/2018

**Distribution:**
IEE File
MEO (to also provide a copy to AOR/COR)