## ANNEX B: OTI COUNTRY INITIAL ENVIRONMENTAL EXAMINATION (C-IEE)

### INITIAL ENVIRONMENTAL EXAMINATION (IEE) FACESHEET

<table>
<thead>
<tr>
<th>Title of Program:</th>
<th>Malaysia Reform Initiative (MARI)</th>
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<tbody>
<tr>
<td>Geographic Location:</td>
<td>Kuala Lumpur, Putrajaya, and Klang Valley (Greater Kuala Lumpur)</td>
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<tr>
<td>Contract/Award Name(s) &amp; Number(s):</td>
<td>USAID/OTI Malaysia Program, AID-OAA-I-14-00010/7200AA19F00003</td>
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<td>Operating Unit:</td>
<td>Democracy, Conflict, and Humanitarian Assistance (DCHA)/Office of Transition Initiatives (OTI)</td>
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SUMMARY OF FINDINGS:

This face sheet to the Country- Initial Environmental Examination (C-IEE) and Environmental Threshold Decision (ETD) for this Office of Transition Initiatives (OTI) program summarizes the IEE determinations and climate risk ratings and provides for mandatory clearances. The C-IEE that accompanies this face sheet specifies a set of steps (summarized in Annex A, Annex C, and Annex D of the Global IEE) to ensure adequate environmental review and provide guidance for screening risks, and for developing, resourcing, and implementing EMMPs for USAID/OTI-supported activities.

RECOMMENDED DETERMINATIONS AND CLIMATE RISK RATINGS:

A Categorical Exclusion is recommended under this C-IEE for activities pursuant to 22 CFR 216.2(c)2:

- **Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.)**

Potential MARI activities include capacity building/technical assistance, social institution building, strategic communications and public outreach efforts, such as: providing of short-term technical assistance and training to government counterparts; capacity strengthening and awareness raising activities that encourage dialogue, empowering civil society, and increasing government transparency; supporting legal associations in efforts to inform civil society engagement on legislative reform; assisting NGOs in their efforts to build civil society networks and associations that advocate for reform; and providing of technical assistance and training to local media outlets with the objective of improving media content.

- **Analyses, studies, academic or research workshops and meetings;**

Potential MARI activities include technical studies, analyses, and workshops/meetings, such as: social network analyses of civil society in order to inform how the program can best support civil society actors; bringing together leading civic and media actors to discuss priority reforms and map out potential timelines and strategies; and supporting research organizations to conduct focus group discussions and polling to help members of civil society, the media, and the government to ensure that messages resonate with key audiences; surveying/polling

- **Document and information transfers;**

Potential MARI activities include strategic communications and public outreach efforts, such as: ministerial open houses aimed at messaging increased access to the new government and modeling more transparent, citizen-oriented government service; supporting to local civil society organizations to conduct a domestic travel tour to solicit input on reform priorities and begin a process of coalition building beyond Greater Kuala Lumpur; and expanding local radio’s reach to create opportunities for civil debate and discussion on important issues among key constituents including youth.

- **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.);**

Potential MARI activities include capacity building/technical assistance, social institution building, strategic communications and public outreach efforts, such as: social institution building or strengthening (such as supporting dialogue; creating public forums; or similar
activities working with communities, groups, or individuals), creating public forums or similar activities working with communities, groups, or individuals.

A **Negative Determination with Conditions** pursuant to 22 CFR 216.3(a)(3) is recommended for:

- **Enable arts and cultural festivals;**

  Anticipated MARI activities will involve support for designing, promoting, and hosting arts and cultural festivals and will mainly involve meetings, developing promotional material, working with media, and providing the costs for running the festival. During the festivals, trash will be generated that needs to be disposed of properly.

- **IT and electronics equipment procurement;**

  Anticipated MARI activities may include limited procurement of IT and electronics equipment to support Government of Malaysia ministries, civil society, and media partners. These supplies and equipment will degrade over time and must be disposed of properly at the end of their life.

These activities may pose a significant risk to the environment but sufficient information exists to create implementation criteria (mitigation measures) that will avoid a significant effect on the environment.

A **Low Climate Risk rating** is recommended for:

- **Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.)**

- **Analyses, studies, academic or research workshops and meetings;**

- **Document and information transfers; and**

- **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.)**

A **Moderate Climate Risk rating** is recommended for:

- **Enable arts and cultural festivals; and**

- **IT and electronics equipment procurement**

A **High Climate Risk rating** is not recommended for any activities under this C-IEE

**CONDITIONS:**

Pre-Award:

1. **Review of Global IEE** as included with proposal solicitation (i.e., SWIFT IDIQ Request for Task Order Proposals, or RFTOPs).

2. **Preparation and Submission an Environmental Capabilities Statement.** The Environmental Capabilities Statement (ECS) must: articulate the IPs anticipated approach for fulfilling climate risk and environmental management requirements with regards to internal staffing, institutional arrangements, and project budget. Specifically, the ECS must articulate how the IP will be able to effectively respond to all climate risk and environmental management conditions established in the Global OTI IEE and this C-IEE throughout OTI project implementation.
Post-Award:

1. **Environmental Impact and Climate Risk Verification for Program Start-Up** - Screening process to confirm that designations of low environmental impact (Categorical Exclusion) or climate risk for selected activities remain applicable for country programs. Results of this process for each activity must be documented in the OTI Activity Database by each country program (there are unique fields for each). Activities that are Categorical Exclusions and Low climate risk rating may proceed without any further USAID clearances prior to the C-IEE, EMMP, and IAP being developed.

2. **Development of a Country-IEE (C-IEE)** – This supplemental IEE must developed by the IP targeted to the specific activities, country implementation and crisis context.

3. **Environmental Mitigation and Monitoring Plan (EMMP)** The IP must develop an EMMP, which shall establish the required measures to ensure that all conditions established in this Global OTI IEE are fulfilled and their implementation achieves the intended mitigation of impacts.

4. **Development and Implementation of an Institutional Arrangement Plan (IAP)** - The IAP establishes the IP’s institutional arrangements to ensure that all environmental compliance and climate risk management requirements applicable to the IP’s programs are effectively executed and fulfilled.

5. **Integrate Environmental Compliance Language in Sub-Grants and Sub-Awards** - All implementation conditions established in this C-IEE that apply to an IP’s programming must be passed on to any sub-grantees and sub-awardees, via their solicitations and contracts.

6. **Ensure Effective Monitoring, Evaluation, and Follow-Up and Ongoing Risk Verification** - The implementation of all environmental and climate risk mitigation measures must be monitored to ensure it is occurring effectively and adjusted should issues be identified. Adjustments to environmental impact or climate risk ratings must be documented in the OTI Activity Database.

7. **Environmental Mitigation and Monitoring Reporting (EMMR)** - Following environmental and climate risk mitigation and monitoring, the status of environmental compliance and climate risk management must be reported upon on a semi-annual basis, with regular OTI program reporting (timing and details to be provided in each award).

8. **Adhere to Local Laws and Regulations** - Implementation will in all cases adhere to applicable partner country environmental laws, except in such cases where the laws are in conflict with USAID regulations or requirements, in which case the latter shall take precedence.

9. **Adhere to Environmentally Sound Design and Management** - All activities should adhere to USAID’s standards for environmentally sound design and management, per [USAID’s Sector](#).

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1 The environmental impact risk (Categorical Exclusion or Negative Determination with Conditions and the climate risk rating (Low, Moderate, or High) should also be recorded in the Database for all activities for the life of the program.
Environmental Guidelines and other reputable best practice resource guides relevant to OTI’s areas of implementation.

Annex A provides Screening Guidance for Verification of Environmental Risk and Climate Risks of OTI Programs.

Annex C outlines the Process for Development, Resourcing, and Implementation of an EMMP for USAID Programs; including revising the EMMP when triggered by new or expanded activities, as determined in cooperation with the OTI Country Representative (CR) or COR during the regular OTI review process over the Life of the OTI Country Program, or as deemed necessary through regular reporting on the EMMP via the Environmental Mitigation and Monitoring Report (EMMR).

Annex D provides guidance for developing an Institutional Arrangement Plan (IAP) outlining the responsibilities and capacity for fulfilling any implementation conditions required by the C-IEE environmental threshold decision and climate risk screening for an OTI program.

Annex E provides guidance and a template for developing an EMMR.

LIMITATIONS:

This C-IEE does not provide an ETD for Classes of Actions Normally Having a Significant Effect on the Environment as specified in Section 22 CFR 216.2 (d). These activities, laid out in the Global OTI IEE and listed in Section 4 of this C-IEE, typically trigger a Positive Determination and therefore require a full Environmental Assessment.2

This C-IEE does not cover Pesticides, including their procurement, transport, storage or disposal; additional analytical review and clearance is required by the DCHA/BEO, per 22 CFR 216.3(b), USAID’s Pesticide Procedures.

Additionally, this C-IEE does not cover activities in environmentally- or culturally-sensitive areas such as wetlands, wildlife reserves or parks, coastal areas, religious or communally sacred lands, or archeological sites.

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2 The specific content of an EA is outlined under 22 CFR 216.6 Environmental assessments and should be reviewed carefully by both the COR or Activity Manager and the EA Preparer/Contractor. See http://www.usaidgems.org/laws.htm#lawsRegsExecOrder for the details. Also, review ADS 204 at http://www.usaid.gov/ads/policy/200/204.
USAID APPROVAL OF ENVIRONMENTAL ACTION(S) RECOMMENDED:

Clearance:

DCHA/OTI Country Representative  Shane Perkinson  Date: 5/17/2019
DCHA/OTI Contract Officer’s Representative (COR) Megan Mitchell  Date: 8/28/2019
Mission Environmental Officer  N/A  Date:
DCHA/OTI Team Leader  Jeff Lieberman  Date: 4/26/2019
DCHA/OTI Program Office  Lena Kukelhaus  Date: 4/30/2019
DCHA/OTI Director  Owen Kirby  Date: 5/17/2019

Concurrence:

DCHA BEO:  Date: 10/25/2019
DCHA CIL:  Date: 10/25/2019

Optional:

Mission Director:  Date:
Regional Environmental Officer:  Date:
Regional Bureau Environmental Officer:  Date:
1.0 BACKGROUND

1.1 PURPOSE AND SCOPE OF IEE

This C-IEE covers all activities carried out under the OTI Program, which falls within the US Department of State/USAID overall foreign assistance framework goals. The purpose of this document is to review activities that will be undertaken by the OTI program in order to provide:

1. Threshold Decisions on environmental impacts;
2. Climate Risk Ratings for climate risks to activities; and
3. Conditions for mitigation and monitoring of environmental impacts and climate risks.

This IEE falls under the framework established by the OTI Global OTI IEE. The relationship of the C-IEE to the Global OTI IEE is shown in Figure 1.

Figure 1: Program- and Country-IEE coverage comparison

This C-IEE provides country-specific biophysical, socio-economic, climate risk and cultural contexts, environmental impact mitigation measures, and organizational management structures necessary for environmental mitigation, implementation, and monitoring. This C-IEE documents Categorical Exclusions and Low Climate Risk ratings and includes a specific Environmental Mitigation and Monitoring Plan (EMMP) for activities with Negative Determinations with Conditions and/or Moderate/High Climate Risk ratings to avoid and minimize adverse social and environmental impacts and climate risks.

This environmental compliance process is tailored to OTI programming needs by relying on an EMMP and activity screening. The EMMP details mitigation and monitoring requirements matched to environmental impacts and climate risks for an initial set of Activity Types identified during the startup phase. As shown in Figure 2, activities are screened over time and the EMMP is updated on a scheduled and ad hoc basis. This process is described in greater detail in Annexes A, C, and D of the Global OTI IEE.
Figure 2: Environmental Management Overview for OTI Programs

This C-IEE provides a country-level analysis of OTI programs for potential environmental impacts and climate risks as well as laying out a process for the development of country/program-specific analysis for field implementation that has been tailored to OTI’s rolling assessment model.

C-IEE Development and Implementation Requirements

The following is the process for developing and implementing a C-IEE and country-level EMMP:

1. Activity Screening;
2. Develop C-IEE (incorporate local laws and regulations);
3. Develop and Implement Institutional Arrangement Plan (IAP);
4. Develop and Implement EMMP;
5. Integrate Environmental Compliance Responsibilities into Sub-Awards;
6. Ensure Effective Monitoring, Evaluation, and Follow-Up;
7. Environmental Reporting;
8. Adhere to Local Laws and Regulations; and

Please refer to Section 4.2.3 of the Global OTI IEE for further elaboration of what is required for each of these C-IEE Process Requirements.

1.2 COUNTRY PROGRAM DESCRIPTION

The May 2018 general election ended the reign of the single party coalition that had governed Malaysia since independence in 1957. The election of the opposition Pakatan Harapan (Alliance of Hope) sparked a wave of optimism and highlights a consolidation of Malaysia’s democracy, and can be attributed to campaign promises to address major government corruption scandals and a slew of promised economic and financial reforms. The promised reforms sparked genuine excitement—and set high expectations—for the future, particularly among younger Malaysians.
However, implementation of the aggressive reform agenda has proven challenging, with the Government of Malaysia (GOM) delivering on only two of its 10 “first 100 days” promises.

Malaysia is a significant regional and global partner for the United States, and the two countries share a diverse and expanding partnership in trade, investment, security, and educational and cultural relations. Economic ties are robust, and there is a long history of people-to-people exchanges. The peaceful transition of power following the May 2018 elections was an unexpected turn of events and serves as a model of democracy in a region of the world that has recently witnessed pronounced trends towards authoritarianism.

The United States Government (USG) is deeply committed to supporting the political reform taking place in the country and looks forward to working together with Malaysian counterparts to strengthen the country’s leadership role in the region recognizing that Malaysia is an upper-middle income country and not a traditional recipient of foreign assistance. With this in mind, the US Embassy in Kuala Lumpur requested that USAID’s Office of Transition Initiatives (OTI) utilize their unique expertise of delivering fast and flexible support to help Malaysian governmental, non-governmental and media actors advance reforms.

In October 2018, USAID’s Office of Transition Initiatives (OTI) launched a limited engagement to work in partnership with Malaysian government, civil society and media counterparts to build upon the momentum generated by the historic May 2018 elections, initially through a Regional Program Option. This was followed by the standing up of a two-year USAID/OTI program, known as Malaysia Reform Initiative (MARI), in February 2019.

MARI is working closely with Malaysian counterparts to advance three initial program objectives; illustrative activities are presented below under each objective.

- **Advance the government’s democratic reform agenda**
  - Provide short-term technical assistance and training to government counterparts.
  - Support capacity and awareness raising activities that increase government transparency and encourage dialogue between the government, civil society, and other actors.

- **Increase civic engagement in the reform process**
  - Assist NGOs in their efforts to build civil society networks and associations that advocate for reform, bringing together leading civic actors and advocates to discuss priority reforms and map out potential timelines and strategies.
  - Support research organizations to conduct focus group discussions and polling to help members of civil society, the media, and the government to ensure that messages resonate with key audiences.

- **Consolidate post-election gains for free media through regulatory reforms and the responsible modeling of independent media practices**
  - Provide technical assistance and training to local media outlets with the objective of improving media content.
  - Expand local radio’s reach to create opportunities for civil debate and discussion on important issues among key constituents including youth.

These USAID/OTI country program objectives are expected to evolve and become more tightly defined over the life of the program to account for shifts in the political environment. Program objectives are subject to periodic review and adjustment through regular strategy sessions taking into account budgetary and staffing implications that changes to the objectives may have.
USAID/OTI owns the country program objectives and will document and approve all changes to these objectives.

USAID/OTI will utilize its unique experience of delivering fast and flexible support to help Malaysian governmental, non-governmental and media actors advance reforms. The program aims to work with a diverse array of partners and is open to unsolicited grant ideas from anyone. USAID/OTI believes deeply in close collaboration with its partners to design, implement and monitor activities.

MARI Approach

A significant portion of MARI’s support will be through grants under contract (GUC), primarily funding small, quick impact activities (including in-kind grants). To accomplish its objectives, MARI will also provide program-related short-term technical assistance (STTA), and direct distribution of goods and services (DDGS).

The GUC review and approval process already incorporates an environmental review process which includes:

- Immediately after an activity is yellow lit by the OTI Country Representative (CR): The Grants Officer (GO) will use the Environmental Determination Form to assess the level of potential environmental impact and risk.
- For activities with minimal risk, no further action will be necessary beyond the initial determination.
- For activities that may have an adverse environmental or climate impact, further review will be conducted, and mitigation measures will be required in accordance with MARI’s C-IEE and EMMP.
- If any activity may have a significant adverse impact, it will be referred to the COR prior to moving ahead.
- The GO will place the environmental and climate risk determination in the appropriate field in the Web-Based Database (WBDB).
- After reviewing the proposal against the EMMP, if the Grants Officer and Chief of Party (COP)/Operations Manager (OM) determines that the activity does not fit within one of the listed categories, they will notify the Home Office Primary Point of Contact (HOPOC), who will work with the COR to notify the Environmental Officer of the possibility of amending the EMMP.

2.0 COUNTRY ENVIRONMENTAL, CLIMATE, AND CONFLICT CONTEXT

The following is a brief assessment of the relevant Site-Specific Information:

**Environment and Climate Context**: Malaysia is a tropical nation of the Southeast Asian region, split between the Malaysian Peninsula (West Malaysia) and Malaysian Borneo (East Malaysia). Malaysia features diverse land cover and topography, with an extensive coastline of over 4,800km, mountain ranges, and more than 50% forest cover. Malaysia’s population is approximately 32 million, with approximately 22% Figure 1: Average Annual Natural Hazard Occurrence from 1900 – 2018 (World Bank Group Climate Change Knowledge Portal)
living in the Greater Kuala Lumpur area. Malaysia’s economy is service sector and manufacturing dominated, with agriculture employing only around 11% of the labor force (relatively low compared to other countries in the region).

Natural Hazards: Malaysia’s geographic location and low poverty rates limit both its risk and vulnerability to natural hazards. While Malaysia can experience drought, landslides, earthquakes and storm surges, most of its losses (estimated at around $1.3 billion by UNISDR in 2014) are attributable to flooding.

Although most observers have not identified a clear direction of change in the frequency and intensity of natural hazards in Malaysia, flood risk in urban areas does appear to be rising (increasingly exposing urban populations to high intensity rainfall). An additional challenge reported by local governments in Malaysia is the encroachment of urban sprawl onto flood prone areas, which might otherwise have acted to buffer flood water. Malaysia’s climate also makes the country particularly vulnerable to vector-borne diseases, such as dengue, particularly in urban areas. Climate change is expected to increase the prevalence of these vector-borne diseases. Finally, coastal vulnerability has been increasing because of sea-level rise. Issues such as storm surge, coastal erosion and saline intrusion are therefore growing in threat. (Sources: World Bank Group Climate Change Knowledge Portal; UNISDR Prevention Web)

Energy Production and Consumption: Traditionally, energy production in Malaysia has been based around oil and natural gas. However, in the context of rising demand for energy, Malaysia only has approximately 30 years of natural gas reserves and 20 years of oil reserves remaining. Currently 16% of Malaysian electricity generation is hydroelectric, the remaining 84% being thermal. The oil and gas industry in Malaysia is currently dominated by state owned Petronas, and the energy sector as a whole is regulated by Suruhanjaya Tenaga, a statutory commission who governs the energy in the peninsula and Sabah, under the terms of the Electricity Commission Act of 200. The Malaysian Government has taken a pro-active approach to energy efficiency at both the national-level (principally through energy efficiency programs sponsored by the Malaysian Energy Commission) and locally-led activities (such Putrajaya’s goal of becoming a “Green City” by 2025).

Fresh Water Resources: Malaysia receives abundant rainfall (averaging 3,000mm annually) that contributes to an estimated annual water resource of some 900 billion cubic meters. About 97% of Malaysia’s raw water supply for agricultural, domestic and industrial needs is sourced from surface water (i.e. rivers). Malaysia has 189 river basins - 89 in Peninsular Malaysia and 100 in Malaysian Borneo. This context leaves Malaysia vulnerable to extremes and unpredictability in precipitation rates. Additionally, the impact of climate change on natural ecosystems in Malaysia may have downstream implications for water management (and the risk of flooding). Specifically, degraded basin ecosystems increase drainage rates and exacerbate downstream flooding risk. (Source: WWF Malaysia)

Agriculture and Soil Types: Generally, there are three main soil groups in Malaysia: residual soils of granite, residual soils of sedimentary rock, and coastal alluvial soils. Because it covers approximately three million hectares, peat is also classified as a major soil group in Malaysia. Malaysia plans crop production at the local level, without nationally-managed agroecological zones (AEZs). The three main crops—rubber, palm oil, and cocoa—have dominated agricultural exports since the colonial era. In addition to these products, Malaysian farmers produce several fruits and vegetables for the domestic market, including bananas, coconuts, durian, pineapples, rice, and rambutan. These crops are typically more sensitive to rainfall and precipitation limitations than to temperature fluctuations. (Source: Soils of Malaysia, Edited By Muhammad Aqeel Ashraf, Radziah Othman, and Che Fauziah Ishak)
Air Quality: Air quality in Peninsular Malaysia ranges from good (with air pollution posing little to no risk) to unhealthy for sensitive groups (where members of sensitive groups may experience health effects, but the general public is not likely to be affected). The majority of the peninsula typically experiences moderate air pollution levels, where air quality is acceptable; however, for some pollutants there may be a moderate health concern for a very small number of people who are unusually sensitive to air pollution. Air quality is typically good in Malaysian Borneo. (Source: aqicn.org)

Demographics: Malaysia’s population is principally made up of Malays (approximately 55 percent); Malaysian Chinese (approximately 23 percent); Malaysian Indian (approximately 7 percent); and other non-Malay indigenous peoples (approximately 11 percent) who, along with Malays, receive Bumiputera status. The Malaysian population is growing at a rate of approximately 2 percent per year.

Infrastructure and Governance: Ministry of Natural Resources and the Environment (KATS) in Malaysia is responsible for natural resources, water, pollution, contamination, biosafety, lands, mines, minerals, geoscience, irrigation, drainage, hydrology, biodiversity, wildlife, national parks, forestry, marine parks, surveying, mapping and geospatial data. Within KATS are nine Federal Departments (Department of Director General of Lands and Mines, Department of Survey and Mapping Malaysia, Minerals and Geoscience Department Malaysia, Forestry Department Peninsular Malaysia, Department of Wildlife and National Parks Peninsular Malaysia, Department of Marine Park Malaysia, Department of Biosafety, Department of Irrigation and Drainage Malaysia, and Department of Sewerage Services) and three Federal Agencies (Department of Sewerage Services, Forest Research Institute Malaysia, and National Hydraulic Research Institute of Malaysia). Led by KATS, the Malaysian Government has expressed concerns that increasing climate changes could accelerate these processes threatening Malaysia’s natural resources. As a result, Malaysia’s 10th (2011-2015) and 11th (2016-2020) national plans have targeted significant investment into climate resilience enhancements, with a focus on its wetland and forest habitats.

Malaysia is home to four UNESCO World Heritage Sites – two cultural and two natural. The cultural sites are the 1) Melaka and George Town, Historic Cities of the Straits of Malacca and 2) Archaeological Heritage of the Lenggong Valley. The two natural sites are Gunung Mulu National Park and Kinabalu Park (both in Malaysian Borneo). Malaysia also has five sites (all natural) on a Tentative List for consideration: National Park (Taman Negara) of Peninsular Malaysia, FRIM Selangor Forest Park, Gombak Selangor Quartz Ridge, Royal Belum State Park, and Sungai Buloh Leprosarium. (Source: UNESCO World Heritage Convention)

Malaysia currently has seven sites designated as Wetlands of International Importance (Ramsar Sites): Kota Kinabalu Wetland, Kuching Wetlands National Park, Lower Kinabatangan-Segama Wetlands, Palau Kukup, Sungai Pulai, Tanjung Piai, and Tasek Bera. MARI will not program in or around Ramsar sites. (Source: ramsar.org)
The Impact of Conflict on the Environment: Not applicable (Malaysia is not currently a conflict-affected country).

2.1 LOCATIONS AFFECTED

MARI will be geographically targeted to areas determined by USAID/OTI to be among its highest priorities, and those for which OTI resources may be most relevant and applicable. Initially, MARI will focus on Kuala Lumpur, Putrajaya, and the Greater Kuala Lumpur (Klang Valley) area. Activities will be implemented primary in urban areas, but may also occur in peri-urban or rural areas. As detailed above, Malaysia’s natural hazard vulnerabilities, climate, soils, and ecosystems are quite variable and will be evaluated on an activity-specific basis to determine potential environmental and social impacts and to develop mitigation measures. MARI will not program in or around Ramsar sites, nor implement activities near or around protected areas or sensitive ecosystems. In the case an activity location is being considered near or around protected areas or sensitive ecosystems, DAI will provide advanced notice to the BEO with sufficient time to attain clearance from the Government of Malaysia and/or conservation organizations.
Figure 3: Greater Kuala Lumpur Metropolitan Area (Google Maps)

Figure 4: Malaysia, Administrative Map (UN ReliefWeb)
2.2 ENVIRONMENTAL LAWS AND AUTHORITY

USAID’s environmental procedures are codified in Title 22, Code of Federal Regulations, Part 216 (22 CFR 216) “Agency Environmental Procedures” and Automated Directives System (ADS) Chapter 204 “Environmental Procedures”. 22 CFR 216 is intended to ensure environmental factors and values are integrated into USAID decision-making, and the procedures described therein are consistent with Executive Order 12114, issued January 4, 1979, entitled Environmental Effects Abroad of Major Federal Actions, and the purposes of the National Environmental Policy Act of 1970, as amended (42 U.S.C. 4371 et seq.) (NEPA). ADS 204 further describes the application of 22 CFR 216 requirements to AID programs. The Chapter defines the processes and procedures needed to incorporate environmental issues to meet legal environmental obligations and to optimize economic and social results.

In addition, USAID has procedures that address climate change considerations in development assistance and implement climate risk management measures. USAID defines climate risks as “potential negative consequences on strategies, projects, or activities due to changing climatic conditions” and climate risk management as “the process of assessing, addressing, and adaptively managing climate risks”. The goal of CRM is to both render USAID’s work more climate resilient (i.e., better able to anticipate, prepare for and adapt to changing climate conditions and withstand, respond to and recover rapidly from disruptions) and to avoid maladaptation (i.e., development efforts that inadvertently increase climate risks). The relevant procedures and guidance are contained in mandatory references to ADS 201 “Program Cycle Operational Policy” and include: “Climate Change in USAID Country/Regional Strategies” (ADS201mat) and “Climate Risk Management Procedures” (ADS201mal).

The host country is a signatory to the Climate Change Convention (1993), Kyoto Protocol (1999) and Paris Declaration (2016). The Government of Malaysia has passed a series of environmental laws and policies, including the Environment Quality Act (1974), the National Parks Act (1980), the National Forestry Act (1984), the Fisheries Act (1985), the Environmental Quality Order (1989), the National Policy on the Environment (2002), the Wildlife Conservation Act (2010), and the National Policy on Biological Diversity (2016). As of December 2018, the Government of Malaysia began the process of drafting a Climate Change Act. Additionally, as noted above, Malaysia’s 10th (2011-2015) and 11th (2016-2020) national plans have targeted significant investment into climate resilience enhancements, with a focus on its wetland and forest habitats.

3.0 EVALUATION OF POTENTIAL ENVIRONMENTAL IMPACTS

3.1 POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS AND CLIMATE RISKS FROM FESTIVALS AND COMMUNITY EVENTS

Environmental Impacts

During the festivals, trash will be generated that needs to be disposed of properly otherwise aesthetic impacts will result, possibly contaminating land or water and posing a hazard to human, animal, and/or marine health

Climate Risks
● Workers and participants may face increased risk of heat exhaustion from extreme heat and lives may be threatened due to extreme events (particularly flooding) or exposure to vector borne diseases.
● Extreme climate-related events (particularly flooding) can threaten routes and transportation systems to access festivals.

3.2 **Potential Adverse Environmental Impacts and Climate Risks from IT and Electronics Equipment Procurement**

**Environmental Impacts**

● Disposal of equipment after its useful life is a concern, possibly contaminating land or water and posing a hazard to human, animal, and/or marine health

**Climate Risks**

● Extreme heat and climate-related events (particularly flooding) can degrade or destroy commodities if not properly stored.

4.0 **Recommended Determinations, Climate Risk Ratings, and Mitigation Actions**

A **Categorical Exclusion** is recommended for capacity building/technical assistance, social institution building or strengthening/analyses or studies, and strategic communications and public information/outreach efforts implemented under OTI programs as no environmental impacts are expected as a result of their implementation. These activities meet the criteria of 22 CFR 216.2(c)(1) and the classes of action pursuant to 22 CFR 216.2(c)(2). Under this C-IEE, activities pursuant to 22 CFR 216.2(c)2 include:

A **Negative Determination with Conditions**, pursuant to 22 CFR 216.3(a)(2)(iii), is recommended for festivals and community events and IT and electronics equipment procurement, implemented under this OTI program as these activities have potential for moderate adverse impacts on the environment. With the full implementation of country-specific environmental mitigation and monitoring measures in the required C-IEE, these activities will not have a significant effect on the environment. Refer to Section 4.1 for the specific conditions that the aforementioned activities recommended for a Negative Determination with Conditions must follow.

A **Positive Determination**, pursuant to 22 CFR 216.2.d is not recommended for any activities under this C-IEE. Prior to their implementation a Scoping Statement must be prepared in accordance with 22 CFR 216.5. If significant risks are confirmed through that process, an Environmental Assessment will be prepared in accordance with 22 CFR 216.6, should OTI choose to proceed with the activity. OTI will record a Negative Determination if the proposed action is found not to have a significant effect on the environment.

4.1 **Recommended Threshold Decisions & Conditions**
<table>
<thead>
<tr>
<th>Activity or Intervention Sub-Category</th>
<th>Recommended Determination</th>
</tr>
</thead>
</table>
| 1) Capacity building / technical assistance, social institution building or strengthening/ analyses or studies, and strategic communications and public information/ outreach efforts | **Categorical Exclusion**, per 22 CFR 216.2(c)2  
- 22 CFR 216.2(c)(2)(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment;  
- 22 CFR 216.2(c)(2)(iii) Analyses, studies, academic or research workshops and meetings;  
- 22 CFR 216.2(c)(2)(v) Document and information transfers; and  
- 22 CFR 216.2(c)(2)(xiv) 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.). |
| 2) Festivals and community events | **Negative Determination** **Subject to** the following **conditions**:  
2. Use adequately-sized waste receptacles, emptying and replacing them in a timely manner as necessary throughout the event (with a specific person or persons responsible for doing so).  
3. Plan for the recycling of materials, where possible, and provision of recycling receptacles in addition to waste receptacles for glass, paper and plastic products.  
4. Plan for and utilize local products, using wholesale quantities to minimize packaging, as much as possible.  
5. Plan to leave the area/venue clean and free of food or debris and dispose of all waste in a designated solid waste disposal area at the end of each day of the event.  
6. Encourage event planners to minimize the generation of paper waste by using recycled paper, printing double-sided, and exploring the use of virtual means of communication.  
7. Install protective barrier on plants and/or important or fragile scenic, archaeological, or cultural/historical features.  
8. Obtain appropriate permit relevant local or national authorities.  
9. Plan for the provision of adequate sanitation facilities for the number of persons expected to attend the event by using a venue with sufficient sanitation facilities or providing a portable...
sanitation option from a responsible vendor.

10. Coordinate with local authorities the appropriate location and timing of event to reduce pressure on infrastructure and neighborhood communities (with might otherwise have unanticipated negative impacts on the environment).

11. Plans will include contingency scenarios for potential challenges associated with solid waste management, especially as relates to, recycling capabilities, plastics alternatives and management. Legal plastic recycling procedures will be upheld.

3) IT and electronics equipment procurement

Negative Determination Subject to the following conditions:

1. Best-Practices used for Solid Waste following practices general consistent with the Sector Environmental Guidelines for Solid Waste.

2. Strengthen local actors through capacity building for local authorities, civil society organizations, and media to responsibly manage and responsibly dispose of commodities. Build capacity and practice to recycle, reuse, and reduce.

3. Plan for and utilize locally-available products, using wholesale quantities to minimize packaging and transportation, as much as possible.

4. Connecting local actors receiving commodities with community programs, convenience centers, self-service schemes, contracted services, and/or curbside programs (as applicable) to facilitate safe disposal of commodities.

5. Ensure that beneficiaries have the necessary solid waste management policies (such as clearing litter and debris from storm drains on the property) and good housekeeping practices for storage of materials prior to delivering commodities.

4.2 Climate Risk Management Screening

As detailed above, Malaysia’s natural hazard vulnerabilities, climate, soils, and ecosystems are quite variable across geographies, and potential environmental and social impacts and mitigation measures must be equally as varied and tailored. A majority of MARI’s support will be through grants under contract (GUC), short-term technical assistance (STTA) and direct distribution of goods and services (DDGS). The activity review and approval process incorporates an environmental review process that utilizes the Environmental Determination Form to assess the level of potential environmental impact and risk at the activity-level, incorporating the specific geography and activity type. The results of the assessment will identify environmental and climate risks. The most significant climate risks to the project include extreme weather events including extreme heat, flash flooding, and intense storms that effect travel, commodity deterioration and individual ability to participate in program activities, particularly outdoors. The project plans to address these risks through structured contingency
planning including the dissemination of guidelines, documented emergency preparedness and response plans and communicating plans for safe storage and maintenance of commodities. Due to the possible scale of climate related events (especially flash flooding and extreme heat), some moderate risk will be accepted by the MARI team. The June 2007 flash floods in Kuala Lumpur that brought one-meter deep floodwaters which submerged cars, entered basements and brought down trees is an event that brings risk to the program that can only be addressed at the activity level. Flexible scheduling, active monitoring and contingency planning (particularly venue location) will help MARI address these types of risks and continually inform future activity development.

Risk Determination

**Low Climate Risk:** A Low Climate Risk rating is recommended for capacity building/technical assistance, social institution building or strengthening/analyses or studies, and strategic communications and public information/outreach efforts implemented under the OTI program, because climate risks are not expected to materially affect the implementation or outcomes of the activity.

**Moderate Climate Risk:** It is recommended that festivals and community events and IT and electronics equipment procurement are assigned a Moderate Climate Risk rating, indicating that there is a likelihood that such activities implemented under the OTI program will be materially impacted by climate risks. Refer to Table 6 for additional details on the climate risks and proposed management options to address them.

**High Climate Risk:** A High Climate Risk rating is not recommended for any activities under this C-IEE.
Table 6. Climate Risk Management Summary Table

<table>
<thead>
<tr>
<th>Activity Types</th>
<th>Timeframe</th>
<th>Geography</th>
<th>Climate Risks</th>
<th>Risk Rating</th>
<th>How Risks are Addressed at Project Level</th>
<th>Further Analysis and Actions for Activity Design/Implementation</th>
<th>Opportunities to Strengthen Climate Resilience</th>
</tr>
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<tbody>
<tr>
<td>Capacity building / technical assistance</td>
<td>&gt;2 years</td>
<td>Malaysia (principally Kuala Lumpur, Putrajaya, and Klang Valley)</td>
<td>Travel associated with activities may be adversely affected by extreme climate-related events (particularly flooding).</td>
<td>Low</td>
<td>MARI takes into consideration location (to minimize travel) and seasonal requirements (to minimize exposure to natural hazards) of arts and cultural festivals as part of their support.</td>
<td>MARI will request that sponsors of festivals take into consideration seasonal concerns, select locations that minimize travel or allow for travel via mass transit, plan for alternate transportation routes, and develop.</td>
<td>MARI shall require that all festival staff receive proper hydration and are not exposed to dangerously high heat levels while setting up for or closing down the festival, in accordance with local and national health and safety requirements. MARI shall ensure that</td>
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<tr>
<td>Social institution building or strengthening/ analyses or studies.</td>
<td>&gt;2 years</td>
<td></td>
<td></td>
<td>Low</td>
<td></td>
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<tr>
<td>Strategic communication s and public information/ outreach efforts</td>
<td>&gt;2 years</td>
<td></td>
<td></td>
<td>Medium</td>
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<tr>
<td>Festivals and community events</td>
<td>&gt;2 years</td>
<td></td>
<td>Workers and participants may face increased risk of heat exhaustion from extreme heat and lives may be threatened due to extreme events (particularly flooding).</td>
<td>Medium</td>
<td></td>
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<tr>
<td>IT and electronics equipment procurement</td>
<td>Extreme climate-related events (particularly flooding) can threaten routes and transportation systems to access festivals.</td>
<td>Extreme heat and climate-related events (particularly flooding) can degrade or destroy commodities if not properly stored.</td>
<td>Medium</td>
<td>MARI takes into consideration the storage facilities of and risk of natural hazard facing a beneficiary prior to procurement and disposition of commodities.</td>
<td>MARI will request that recipients of commodities establish plans and procedures for safe storage and maintenance of commodities beyond the life of the activity.</td>
<td>MARI shall share responsible handling (to extend life of commodities) and safe disposal measures with Government of Malaysia and civil society counterparts.</td>
<td>contingency plans.</td>
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4.3 General Project Implementation Conditions for Environmental Impact + Climate Risk Management Planning, Mitigation, Monitoring, and Reporting

In addition to the specific conditions above, the negative determinations recommended in this C-IEE are contingent on full implementation of the following general monitoring and implementation requirements:

Pre-Award

1. Review of Global IEE as included with proposal solicitation (i.e., SWIFT IDIQ Request for Task Order Proposals, or RFTOPs)

2. Preparation and Submission an Environmental Capabilities Statement. The Environmental Capabilities Statement (ECS) must: articulate the IPs anticipated approach for fulfilling climate risk and environmental management requirements with regards to internal staffing, institutional arrangements, and project budget. Specifically, the ECS must articulate how the IP will be able to effectively respond to all climate risk and environmental management conditions established in the Global OTI IEE and this C-IEE throughout OTI project implementation.

Post-Award

3. Environmental Impact and Climate Risk Verification for Program Start-Up. Prior to development of the C-IEE, the OTI IP still must screen and verify the environmental impact and climate risk for the country portfolio of activities to ensure consistency with the environmental threshold decision established in the Global OTI IEE. The OTI IP must review planned activities against the “Activity Type” classifications in the Global OTI IEE and use the guidance provided by Annexes A and H to confirm that the planned country activities have a level of environmental impact and climate risk commensurate with the classifications in the Global OTI IEE. In the event that environmental impact and climate risk verification indicates that an activity within the country portfolio has greater risk than the analogous Activity Type in the Global OTI EE, the OTI IP must present that activity accordingly in this C-IEE. In all cases, the result from Environmental Impact and Climate Risk Verification must be documented within the OTI Activity Database (there are unique fields for each)\(^3\), by demarcating the applicable environmental threshold decision and climate risk rating for each activity. Refer to Section 4.2 of the Global OTI IEE under POST-AWARD, Condition 3 for more detail.

4. Development of C-IEE. OTI-Malaysia shall provide the IP with a copy of the Global OTI IEE and this C-IEE; the IP shall be briefed on their environmental compliance responsibilities by their cognizant COR. During this briefing, the C-IEE conditions applicable to the IP’s activities will be identified and the IP will be responsible for further developing the C-IEE for approval within four months\(^4\) of program start-up. Refer to Section 4.2 of the Global OTI IEE under POST-AWARD, Condition 4 for more detail.

\(^3\) The environmental impact risk (Categorical Exclusion or Negative Determination with Conditions and the climate risk rating (Low, Moderate, or High) should also be recorded in the Database for all activities for the life of the program.

\(^4\) Each award will provide the exact deadlines
5. **Development and Implementation of IAP.** The IAP establishes the OTI IP’s institutional arrangements to ensure that all environmental compliance and climate risk management requirements applicable to the IP’s programs are effectively executed and fulfilled (see Global OTI IEE Annex D for IAP Instructions and Template). The IAP must be submitted to OTI, the Mission, the DCHA/BEO, and the DCHA/CIL for approval within four months\(^5\) of program start-up. See Annex D for guidance and a template.

6. **Development and Implementation of the EMMP.** The IP shall develop and provide for OTI, Mission, BEO/DCHA and DCHA/CIL review and approval an EMMP documenting how their project will implement and verify all C-IEE conditions that apply to their activities (see Global OTI IEE Annex C for guidance on, and template for, EMMP development for OTI, and refer to Section 4.2 of the Global OTI IEE under POST-AWARD, Condition 5). The EMMP must be submitted to OTI, the Mission, the DCHA/BEO, and the DCHA/CIL for approval within four months\(^6\) of program start-up.

7. **Integrate Environmental Compliance Language into Sub-Grants and Sub-Awards.** The IP shall assure that sub-grantees and subcontractors have the capability to implement the relevant requirements of this C-IEE. The IP shall integrate their EMMP into their program work plan and budgets, implement the EMMP, and report on its implementation as an element of regular program performance reporting. The IP shall assure that subcontractors and sub-grantees integrate implementation of IEE conditions, where applicable, into their own activity work plans and budgets and report on their implementation as an element of sub-contract or grant performance reporting. 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 of their activities. Refer to section 4.2 under Condition 6 of the Global OTI IEE for more detail.

Integration of compliance responsibilities in prime and sub-contracts and grant agreements.

a. OTI-Malaysia shall assure that any future contracts or agreements for implementation of these activities, and/or significant modification to current contracts/agreements shall reference and require compliance with the conditions set out in this IEE.

b. The IP shall assure that future sub-contracts and sub-grant agreements, and/or significant modifications to existing agreements, reference and require compliance with relevant elements of these conditions.

8. **Ensure Effective Monitoring, Evaluation, and Follow-up and Regular Risk Verification.** The OTI COR/AOR and CR will ensure that the OTI IP is aware of, familiar with, and compliant with the C-IEE and the EMMP from an implementation and monitoring perspective. The OTI IP shall be held responsible for its environmental compliance responsibilities, as part of regular required reporting requirements. Refer to section 4.2 under Condition 7 of the Global OTI IEE for more detail on COR/AOR and CR Monitoring Responsibility, Establishment of Systems for OTI Oversight of C-IEE and EMMP Implementation, Risk Verification, Regular Review, and Ad Hoc Activity Development outside the OTI Iterative Review.

\(^5\) Each award will provide the exact deadlines
\(^6\) Each award will provide the exact deadlines
9. **Environmental Mitigation and Monitoring Reporting (EMMR).** As required by ADS 204.3.4, the IP will prepare EMMRs in consultation with OTI field staff and COR, the OTI Program Office, the MEO, and/or the DCHA BEO and DCHA CIL (see Annex E of Global OTI IEE) detailing the findings from monitoring and evaluation of environmental compliance as described in General Monitoring and Implementation Requirement 5 above. Refer to section 4.2 under Condition 8 of the Global OTI IEE for more detail on reporting procedures. When an EMMR is submitted, a “Current FY BEO Environmental Oversight Report” is also to be submitted. This is a standard report in all OTI program Activity Databases.

10. **Adhere to Local Laws and Regulations.** Nothing in this IEE substitutes for or supersedes IP, sub-grantee, and subcontractor responsibility for compliance with all applicable host-country laws and regulations. The IP, sub-grantee, and subcontractor must comply with host-country environmental regulations unless otherwise directed in writing by USAID. However, in case of conflict between host country and USAID regulations, the more stringent regulation shall govern.

11. **Adhere to Environmentally Sound Design and Management Principles.** IPs and their sub-contractors or sub-grantees should follow USAID Sector Environmental Guidelines (SEGs) for best management practices in designing their activities. The SEGs are concise, plain-language information regarding typical, potential adverse impacts of activities and how to prevent or otherwise mitigate impacts. IPs shall reference these guidelines in developing their EMMPs and determining ESDM strategies for implementation of their activities. IPs are encouraged to reference other best practice resources, as useful, in developing EMMPs. Refer to section 4.2 under Condition 10 of the Global OTI IEE for more detail.