



ENVIRONMENTAL THRESHOLD DECISION
Request for Categorical Exclusion

Activity Location: South America Region (USAID/SAR)

Activity Title: South America Regional Environment Project

Activity Number: TBD

Life of Activity Funding: \$56 million

Life of Activity: FY 2017 - FY 2022

Reference Threshold Decision: None

IEE Prepared by: Annie Wallace, Deputy Office Chief, SAR

Date Prepared: November 4, 2016

Recommended Threshold Decision: Categorical Exclusion

Bureau Threshold Decision: Concur

1. PURPOSE

The purpose of the Request for Categorical Exclusion (RCE) is to review the South America Regional Environment Project to ensure adherence to the Agency’s environmental compliance regulations (22 CFR 216).

2. BACKGROUND

Through a rigorous, evidence-based design process, the USAID/SAR prioritized threats to the Amazon’s biodiversity and climate change mitigation services, assessed what role a regional project could best play in addressing them, defined a USAID Amazon Vision and Development

Hypothesis, and verified the contribution of the regional project. USAID/SAR found that the key threats to the Amazon region's biodiversity and climate change mitigation services are large-scale infrastructure, extractive industries, and climate change. The design team identified four strategic approaches to best address these important threats to Amazon biodiversity and climate change mitigation services:

1. Promotion of Best Environmental and Social Management Practices (BMPs) for Infrastructure and Extractive Industries in Amazon Forests and Waters
2. Improved Representation of Indigenous Peoples (IP) in Governance of Amazon Forests and Waters
3. Use of Science to Monitor, Improve Decision Making, and Address the Effects of Global Climate Change on Amazon Forests and Waters
4. Information Sharing and Communications Activities to Build Regional Knowledge and Awareness about Amazon Forests and Waters

3. SUMMARY AND ACTION

1. Promotion of Best Environmental and Social Management Practices (BMPs) for Infrastructure and Extractive Industries in Amazon Forests and Waters: To reduce the impact of ongoing and planned resource extraction and infrastructure activities in the Amazon by promoting environmental and social best practices. The focus is neither on supporting nor inhibiting the extraction of resources or development of infrastructure, but rather to ensure that such activities, where they occur, are done in a way that safeguards natural resources and indigenous rights and cultures.
2. Improved Participation of Indigenous Peoples (IP) in Governance of Amazon Forests and Waters: To strengthen indigenous groups' capacities and access to influence high-impact development projects such that indigenous peoples' rights, well-being and beliefs are considered in the siting, design, implementation, and closing of these projects.
3. Use of Science to Monitor, Improve Decision Making, and Address the Effects of Global Climate Change on Amazon Forests and Waters: To provide user-driven, science-based tools and capacity with direct application for decision-support. This will increase local understanding, concern, and willingness to combat impacts of climate change, drought, and fire on Amazonian ecosystems, carbon sinks, carbon stores, and peoples.

4. Build Regional Knowledge and Awareness about Amazon Forests and Waters, and USAID's other Amazon-Based Environment Activities through Information Sharing and Communications Activities: This strategic approach fulfills a specific role of a regional project as identified by USAID's OUs across the Amazon, USAID/SAR will support learning, sharing of information, and research across the Amazon. This will also include coordinating communications across all of USAID's Amazon-based activities in order to create strategic, well-designed messages, materials, campaigns, and information.

The above activities qualify for a Categorical Exclusion pursuant to 22 CFR §216.2(c)(2)

- (i) Education, technical assistance and training (216.2(c)(2)(i));
- (iii) Analyses, studies, and workshops (216.2(c)(2)(iii));
- (v) Document and information transfer (216.2(c)(2)(v)); and
- (xiv) Activities that will develop the capability of recipient countries to engage in development planning

As currently planned, no interventions will directly affect the environment. All activities are intended to provide information, methodologies, and technical assistance to beneficiaries in the hope that armed with these resources, they will make better decisions regarding the actions, policies, and plans they hope to implement; and through them, reduce the drivers of unsustainable use of the Amazon's resources.

If during implementation, activities are considered under this Strategic Framework that are outside the above framework, activities other than those described in the subject Categorical Exclusions, and that may directly affect the environment (such as construction or rehabilitation of facilities), an amended (supplemental) IEE or Request for Categorical Exclusion shall be submitted, as appropriate.

Signed:



Date: Nov. 4, 2016

Diana Shannon
Bureau Environmental Officer
Bureau for Latin America & the Caribbean

Attachment: Request for Categorical Exclusion, South America Regional Environment Project



Request for Categorical Exclusion

Activity Location: South America Region (USAID/SAR)

Activity Title: South America Regional Environment Project

Activity Number: TBD

Life of Activity Funding: \$93 million

Life of Activity: FY 2017 - FY 2022

Reference Threshold Decision: None

IEE Prepared by: Annie Wallace, Deputy Office Chief, SAR

Date Prepared: November 4, 2016

Recommended Threshold Decision: Categorical Exclusion

1. BACKGROUND AND ACTIVITY DESCRIPTION

The Amazon region is a unique asset to its nations and is valued by the world. Amazonia hosts one third of the world's known species of plants and animals, many of which do not occur anywhere else on earth. The region is also home to 33 million people, including 1.6 million indigenous people, some of whom still live in voluntary isolation, and all of whom depend on Amazon forest and water resources for their material and cultural survival. The Amazon region also provides critical global services. It contains the largest river system in the world representing approximately 15% of the freshwater draining into the oceans worldwide, and Amazonian forests capture 25% of human greenhouse gas emissions. The natural capital of the Amazon, including biodiversity, water resources, and stocks of carbon in standing forests, is of

global importance and has great potential to further contribute to national and regional economic development goals.

As the economies of Amazon countries have grown during the past two decades however, Amazonia has transformed from a largely unknown frontier to a source of mineral wealth, energy independence, and settlement. This has created tension between goals for biodiversity conservation, carbon sequestration, and indigenous territorial and human rights and growing demands for resource extraction and infrastructure construction. Although the potentially grave negative social and environmental impacts of large-scale development plans for the next 20 years are precipitating a swell of voices from the scientific, conservation, and development communities to address these threats, the actions of the donor community do not yet reflect these priorities. This project is based on the belief that there is an urgent need to address and plan for sustainable development before the consequences of large-scale drivers of deforestation are irreversible, and that the Amazon can be developed economically while minimizing environmental and social damage.

From November 2014-October 2015, the South America Regional Environment program (USAID/SAR) convened representatives from all USAID Operating Units (OUs) who work in the Amazon region in a series of over 50 face-to-face and virtual meetings. Over the course of this year-long process, the team determined the most important threats to the Amazon's biodiversity and climate change mitigation services, and the role of a regional project in addressing them. Through a rigorous, evidence-based design process, the team prioritized threats, defined a USAID Amazon Vision and Development Hypothesis, and established the role of the regional program. USAID/SAR found that the key threats to Amazonian biodiversity and climate change mitigation services are large-scale infrastructure, extractive industries, and climate change. The design team identified three strategic approaches to best address these most important threats to Amazon region-wide biodiversity and climate change mitigation services:

- 1) Promotion of Best Management Practices (BMPs) for Infrastructure and Extractive Industries in the Amazon region,
- 2) Improved Representation of Indigenous Peoples (IP) in Governance of Amazon Forests and Waters,
- 3) Use of Science to Monitor, Improve Decision Making, and Address the Effects of Global Climate Change on Amazon Forests and Waters and
- 4) Science-Based Hydro-Meteorological Management Decision Support to Address the Effects of Global Climate Change on Amazon Forests and Waters.

This project is intended to address some of the most critical issues facing the Amazon today. It represents a marked departure from the previous USAID Initiative for the Conservation of the Andean Amazon (ICAA) project as it was designed as the most effective approach to address Amazonian threats from a regional perspective rather than as a collection of bilateral activities. The USAID/SAR activities were planned with close attention to priorities and programs of the bilateral programs, which they will bolster and complement, and with attention to USAID and other donor funding priorities and gaps. Although ambitious, USAID SAR believes that these activities are critical to the long term survival of the Amazon ecosystem, and that with this programming we will achieve significant impact on the threats addressed.

Specific interventions are listed in the following table:

Activity	Strategic Approach	Summary Description
Best Management Practices Umbrella Mechanism	Promote Best Management Practices (BMPs) for Infrastructure and Extractive Industries in Amazonia.	This activity will implement the strategic approaches to implementing BMPs; focused on each sector (roads, hydropower, oil & gas, and large-scale mining).
Amazon region Indigenous Rights and Resources Mechanism	Secure Rights and Resources of Indigenous People	This activity will focus solely on implementing the strategic approach "Secure Rights and Resources of Indigenous People."
SERVIR	Science-based Hydro-meteorological Management Decision Support	Partnership with NASA and a regional institution to establish a regional hub to monitor, address information needs, and provide appropriate user-driven and science-based decision-support tools to improve management and preservation of Amazonian forests and rivers under a changing climate.
Amazon Knowledge and Learning Platform	USAID/SAR Learning and Communication Activities	This activity will focus on knowledge and learning to inform management, regional cross-site learning, and regional coordination on other threats.

Amazon region Communications Mechanism	USAID/SAR Learning and Communication Activities	This activity will focus on communications coordination across all USAID/SAR mechanisms.
IAAs: Department of Interior, US Forest Service, SilvaCarbon	Supports the three technical Strategic Approaches (BMPs, Indigenous Rights, Science for Decision Support - SilvaCarbon)	These three IAAs will each focus on TBD specific capacity building and other services targeted to the technical strategic approaches.

2. GLOBAL CLIMATE CHANGE RISK ASSESSMENT

Executive Order 13677 requires federal agencies to incorporate climate resilience into international development activities. The resulting Climate Risk Management processes (<https://www.usaid.gov/sites/default/files/documents/1868/201mal.pdf>) requires USAID's operating units to identify climate risks, rate these risk ratings, and identify how these risks will be addressed; including new opportunities and any further analysis that may be needed in association with all planned activities. According to the guidance, this assessment must be documented in Project Appraisal Documents (PADs) and environmental compliance analyses (typically found in an Initial Environmental Examination (IEE)). In the case of this IEE, the methodology used to conduct the Climate Risk Screening was a combination of USAID's Climate Risk Screening and Management Tools and existing Climate Change Vulnerability and Risk Analysis.

The results of this analysis are found in Annex 1. The conclusion of the Climate Risk Screening has determined that all activities subject to this IEE are considered to be low risk and no further action is warranted.

3. JUSTIFICATION FOR CATEGORICAL EXCLUSION REQUEST

The above activities qualify for a Categorical Exclusion pursuant to 22 CFR §216.2(c)(2)

- (i) Education, technical assistance and training (216.2(c)(2)(i));
- (iii) Analyses, studies, and workshops (216.2(c)(2)(iii));
- (v) Document and information transfer (216.2(c)(2)(v)); and
- (xiv) Activities that will develop the capability of recipient countries to engage in development planning

As currently planned, no interventions will directly affect the environment. All activities are intended to provide information, methodologies, and technical assistance to beneficiaries in the hope that armed with these resources, they will make better decisions regarding the actions,

policies, and plans they hope to implement; and through them, reduce the drivers of unsustainable use of the Amazon's resources. USAID will not have any active role as a deciding official in the development or adoption of these plans or policies and will provide no funding to implement activities identified through this process.

If during implementation, activities are considered under this Strategic Framework that are outside the above framework, activities other than those described in the subject Categorical Exclusions, and that may directly affect the environment (such as construction or rehabilitation of facilities), an amended (supplemental) IEE or Request for Categorical Exclusion shall be submitted, as appropriate.

Approval:



Lawrence Rubey
Mission Director

3 Nov 2016

Date

Clearance Page:
South America Regional Environment project

Concurrence

	Initials	Date:
● Annie Wallace, DO Team leader	<u>AW</u>	<u>10/26/16</u>
● Holly Ferrette, Office Director	<u>HJF</u>	<u>10/26/16</u>
● Erin Krasik, Program Officer	<u>EAK</u>	<u>10/31/16</u>
● Victor Merino, Mission Environmental Officer (MEO)	<u>VM</u>	<u>10/31/16</u>
● Paul Schmidtke, Regional Environmental Advisor (REA)	<u>PS</u>	<u>11/2/16</u>
○ Erik Janowsky, Deputy Director	<u>EJ</u>	<u>11/3/16</u>

Annex 1

Table 1. Project-Level Climate Risk Management Summary Table for the PAD with examples.

Defined or Anticipated Project Elements	Climate Risks	Risk Rating	How Risks are Addressed at Project Level	Further Analysis and Actions for Activity Design/ Implementation	Opportunities to Strengthen Climate Resilience
<i>Strategic Approach 1: Promotion of Best Environmental and Social Management Practices (BMPs) for Infrastructure and Extractive Industries in Amazon Forests and Waters</i>					
Reduce impact of resource extraction and infrastructure activities in the Amazon by promoting environmental and social best practices; USAID will provide information, methodologies, and technical assistance but will not develop or adopt plans/ policies and will not fund implementation of on-the-ground activities.	-May be difficult for participants (indigenous individuals, private sector representatives, government officials) to attend meetings if severe weather (e.g., heavy rainfall or flooding) damages roads or other infrastructure or makes locations or remote access inaccessible. -Heavy rain can decrease turnout	Low	Build flexibility into the timing and approach(es) to gathering stakeholders for consultations to accommodate any schedule disruptions due to extreme weather events. Risk accepted	N/A	- Information provided as basis for development of environmental and social best practices should include climate-smart practices, climate data, and account for climate risks
<i>Strategic Approach 2: Improved Participation of Indigenous Peoples (IP) in Governance of Amazon Forests and Waters</i>					
Strengthen indigenous groups'	-May be difficult for participants to	Low	Build flexibility into	N/A	- In developing guidelines for an

capacities and access to influence siting, design, implementation, and closing of high-impact development projects (including oil and gas, mining, hydropower, and roads)	attend meetings if severe weather (e.g., heavy rainfall or flooding) damages roads or other infrastructure or makes locations or remote access inaccessible. -Heavy rain can decrease turnout		the timing and approach(es) to gathering stakeholders for consultations to accommodate any schedule disruptions due to extreme weather events. Risk accepted		Indigenous Regional Strategic Plan, consider integrating messages and interventions related to climate risk management.
<i>Strategic Approach 3: Use of Science to Monitor, Improve Decision Making, and Address the Effects of Global Climate Change on Amazon Forests and Waters</i>					
Provide user-driven, science-based tools and capacity with direct application for decision-support to increase understanding, concern, and willingness to combat impacts of climate change, drought, and fire on Amazonian ecosystems, carbon sinks, carbon stores, and peoples.	-May be difficult for participants to attend meetings if severe weather (e.g., heavy rainfall or flooding) damages roads or other infrastructure or makes locations or remote access inaccessible. -Heavy rain can decrease turnout	Low	Build flexibility into the timing and approach(es) to gathering stakeholders for consultations to accommodate any schedule disruptions due to extreme weather events. Risk accepted	N/A	In developing interventions, seek opportunities to coordinate with and enhance data to support climate risk awareness and management by other USAID projects (e.g., Peru bilateral alternative development program)
<i>Strategic Approach 4: Information Sharing and Communications Activities to Build Regional Knowledge and Awareness about Amazon Forests and Waters</i>					
Support learning, share information, conduct research, and coordinate communications across USAID Amazon-based	N/A	Low	N/A	N/A	Seek opportunities to address and integrate climate risk awareness and management recommendations into

activities to create strategic, well-designed messages, materials, campaigns, and information.					communications about USAID activities in the Amazon region.
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