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US Agency for International Development (USAID)

[USAID/Sri Lanka]

Amendment to Initial Environmental Examination (IEE) # 2
Program/Project/Activity Data

Activity/Project Name:		Biz Plus	
Assistance Objective:		AO - Sustained and Inclusive Economic Growth	
Program Area:		Economic Growth	
Country(ies) and/or Operating Unit:		USAID /Sri Lanka	
Originating Office:		Salma Peiris, Biz+ AOR, Office of Economic Growth	Date: November 03, 2016
PAD Level IEE: Yes <input type="checkbox"/> No <input type="checkbox"/>	DCN of Original RCE/IEE:	Asia 11-112A	
Supplemental IEE: Yes <input type="checkbox"/> No <input type="checkbox"/>	DCN of Amendment(s):	Asia 15-071	
RCE/IEE Amendment: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	If Yes, Purpose of Amendment (AMD): To update funding amount and period of performance: The total estimated cost is increased to \$26,823,690 and the period of performance extended up to July 31, 2019.		
DCN(s) of All Related EA/IEE/RCE/ER(s):		Asia 11-112A; Asia 15-071	
Implementation Start/End:		August 1, 2017-July 31, 2019	LOP: October 1, 2011-July 31, 2019
Funding Amount:		LOP Amount: \$26,823,690	AMD Amount: \$4,423,690
Contract/Award Number (if known):		Cooperative Agreement number AID-383-LA-11- 00002	
IEE Expiration Date (if any):	August 2019	Reporting due dates (if any):	Quarterly / Annually
Recommended Environmental Determination:			
Categorical Exclusion:	<input checked="" type="checkbox"/>	Positive Determination:	<input checked="" type="checkbox"/> with conditions
Negative Determination:	<input checked="" type="checkbox"/>	Deferral:	<input type="checkbox"/>
Additional Elements:			
Conditions:	<input checked="" type="checkbox"/>	Local Procurement:	<input checked="" type="checkbox"/>
Government to Government:	<input type="checkbox"/>	Donor Co-Funded:	<input type="checkbox"/>
		Climate Risk: Low	

1. Purpose of Amendment

1.1 BIZ+ is working to stimulate economic growth, job creation, and increased household incomes in the under-developed areas of Sri Lanka by providing small and medium-sized businesses in the north, east and bordering regions, with the technical and managerial skills and financial resources they need to succeed. This amendment serves to update the funding amount and the life of project dates, with no changes to the geographic scope of ongoing activities. Specifically a \$4,423,690 increase in total estimated cost (TEC) and a two year LOP extension. The last amended IEE LOP ran from August 1, 2015 through July 31, 2017, with a budget of \$22.4 million. The total LOP funding will be \$26,823,690.

1.2 With the extension period to July 2019, Biz+ focus will continue to be on investment grants to small and medium enterprises and building capacity of these enterprises through technical assistance and training. Environmental compliance is central to all Biz+'s activities and the project has taken measures in every intervention to mitigate environmental impact. Each grant supported by the project will be subject to environmental screening, monitoring and reporting of mitigation measures, overseen by the IP and AOR. All Businesses to be supported must be registered with the Central Environmental Authority. Biz+ adopts a monitoring and reporting process which is positive and builds awareness of environmental matters and responsibilities by the business that they otherwise would not attain. Though SME's adoption of improved environmental and occupational health and safety (OHS) procedures and actions is often slow, the periodic monitoring and advisory process builds awareness and Biz+ experience show progress over a longer time period. Biz+ offers both group training workshops in OHS as well as on-site reviews of partner business' factories by professional workplace operations advisors. Biz+ organized exposure visits for partners to see the operations and functions of other businesses and to learn about basic steps to improve the workplace. Biz+ will further strengthen similar activities during the extension period.

1.3 Recommended Determinations from Original IEE

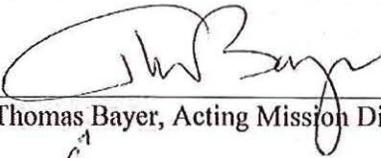
During the extended period, USAID/Sri Lanka's BIZ+ program will continue with grants to new and existing enterprises with good prospects for growth and increased employment and technical assistance to grant recipients and other institutions related to enterprise development. BIZ+ activities, i.e., technical assistance to business, generally qualify for Categorical Exclusion per 22 CFR 216 (c)(2)(i) as "education, technical assistance, or training," CFR 216 (c)(2)(iii) as "analyses, studies, academic or research workshops and meetings," and CRF216 (c)(2)(v) as "document and information transfers."

Other activities, such as 1) sub-grants that support agriculture, horticulture, livestock and aquaculture inputs, applications and services; 2) activities that support small-scale infrastructure-related development; 3) activities that support the provision of technical or processing equipment for sub-grantees may have some impact. However, the majority of supported activities will be relatively small-scale; most impacts (if any) are expected to be insignificant and can be addressed through established design criteria and other conditions placed on implementation. Therefore, these BIZ+ activities qualify for a

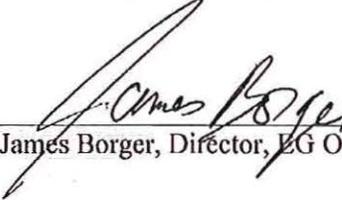
Negative Determination, per 22 CFR 216.3 (a)(2)(iii), subject to conditions outlined in the original IEE, including submission of an ERF for each sub grant subject to MEO approval in consultation with the REA. Activities and sub grants that support business interventions where there is potential for significant environmental impacts will be subject to full review in accordance with 22 CFR 216. There are no new activities planned for the extension period.

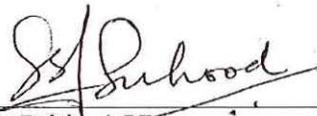
- 1.4 All conditions of the original IEE remain in effect. With this Amendment, all existing reporting requirements shall remain in place, for instance, any monitoring or reporting timelines stated in the EA or other existing EMMPs remain in place as do requirements for submittal by the implementing partner of Records of Compliance with Environmental Mitigation and Monitoring Plans at the close of activities.
2. Climate Change: Based on USAID Sri Lanka and Maldives climate resilience screening analysis at the CDCS level, this project is categorized as low risk for climate impacts. However, the IP will conduct a climate risk screening for each grant to explore and identify opportunities to mitigate climate risks within the existing budget and integrate advocacy efforts around climate change impact during the delivery of technical assistance and/or as appropriate.

3. Recommended Environmental Threshold Decision Clearances:
Biz+ IEE Amendment # 2

Approval :  11/15/2016
Thomas Bayer, Acting Mission Director Date

Clearance: Cleared 11/14/2016
Nihani Riza, Mission Environmental Officer Date

Clearance :  11/15/2016
James Borger, Director, EG Office Date

Clearance :  11/09/2016
Salma Peiris, AOR Date

Clearance: Cleared by email 11/10/2016
Andrei Barannik, Regional Environmental
Adviser, SCA & OAPA Date

Concurrence:  November 16, 2016
William Gibson Date
Asia Bureau Environmental Officer

Distribution:

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Drafted by: Salma Peiris, Biz+ AOR
USAID/Sri Lanka / BIZ+ Project