



**US Agency for International Development (USAID)  
 Initial Environmental Examination (IEE)/Domestic NEPA Action and/or Request for Categorical  
 Exclusion Facesheet**

**Program/Project/Activity Data:**

Activity/Project Title: Strengthening Revenue Mobilization, Budgeting and Financial Accountability, Government Debt and Infrastructure Finance, and Banking and Financial Services / Objective 4: Economic Growth; Area 4.1: Macro Foundation, Element 4.1.1: Fiscal Policy; Area 4.3: Financial Sector, Element 4.3.2: Financial Sector Capacity		Solicitation #: N/A
Contract/Award Number (if known):		
Geographic Location : Global		
Originating Bureau/Office: Bureau for Economic Growth, Education, and Environment		
Supplemental IEE: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	DCN and date of Original document: E3-17-13	
Amendment: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	DCN and ECD link(s) of Amendment(s):	
Programmatic IEE: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Amendment No.:	
Funding Amount: \$100,000	Life of Project Amount: \$9,500,000	
Implementation Start/End: FY 2017-FY 2022		
Prepared By: Anton Kamenov, Economist	Date Prepared: 11/17/2016	
Expiration Date (if any):	Reporting due dates (if any):	
Environmental Media and/or Human Health Potentially Impacted (check all that apply): None <input checked="" type="checkbox"/> Air <input type="checkbox"/> Water <input type="checkbox"/> Land <input type="checkbox"/> Biodiversity <input type="checkbox"/> Human Health <input type="checkbox"/> Other <input type="checkbox"/>		
<b>Recommended Threshold Determination:</b>		
<input type="checkbox"/> Negative Determination <input type="checkbox"/> with conditions	<input type="checkbox"/> Deferral	
<input checked="" type="checkbox"/> Categorical Exclusion	<input type="checkbox"/> Exemption	
<input type="checkbox"/> Positive Determination	<input type="checkbox"/> USG Domestic NEPA action	

<b>Climate Change:</b> <input type="checkbox"/> GCC/Adaption <input checked="" type="checkbox"/> GCC/Mitigation <input type="checkbox"/> Climate Change Vulnerability Analysis (included)
Adaptation/Mitigation Measures: The Recipient Agency must conduct climate risk management in carrying out the program. The Recipient Agency may follow its own policies and guidelines on climate risk management, or USAID's guidance, as set forth in ADS Chapter 201. Prior to program implementation, the Recipient Agency must provide its climate risk assessment (including how climate risk is addressed in the program) for the program in writing to the USAID Program Manager. USAID will use the assessment to comply with applicable reporting requirements on climate resilience in development programs.

**INITIAL ENVIRONMENTAL EXAMINATION  
and  
REQUEST FOR CATEGORICAL EXCLUSION**

**PROGRAM/ACTIVITY DATA**

**IEE Number:** TBD

**Program/Project Title:** Strengthening Revenue Mobilization; Budgeting and Financial Accountability; Government Debt and Infrastructure Finance; and Banking and Financial Services

**Program/Project Number:** TBD

**Project Country(ies):** Worldwide

**Funding Period:** FY 2017 – FY 2022

**Life of Activity Funding:** \$9,500,000

**IEE Amendment Yes** \_\_\_ **No** **X** **If yes, date of original IEE:** \_\_\_\_\_

**IEE Prepared by:** Anton Kamenov, E3/EP 11/22/2016  
Name, Office Date

**IEE expires:** *Any change in funding, scope, scale or locations.*

**ENVIRONMENTAL ACTION RECOMMENDED**(check all that apply):

Categorical Exclusion   X   Negative Determination \_\_\_\_\_  
Positive Determination \_\_\_\_\_ Negative Determination w/ Conditions Deferral \_\_\_\_\_

**SUMMARY OF FINDINGS AND RECOMMENDED THRESHOLD DECISION**

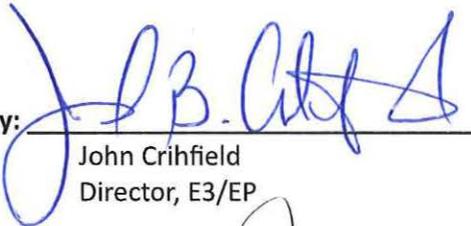
The subject program has the goal of improving domestic revenue, budgeting and financial accountability, government debt management and infrastructure finance, and banking and financial systems in selected partner countries where:

1. The authorities are poised to undertake institutional and systemic measures to improve public financial management through improved policy and administration, and improved security, transparency, and efficiency of the financial sector;
2. Key improvements in business practices, technology, and administrative capacity will help partner-country governments achieve efficiency and effectiveness in these areas; and
3. Partner-country leaders have demonstrated a credible, long-term commitment to achieving greater self-sufficiency in the funding and management of public services that are priorities of the overall U.S. foreign assistance program.

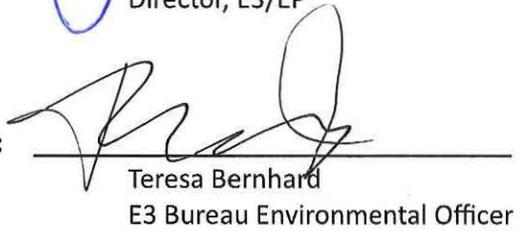
To provide timely and effective assessment, design, development, and implementation of U.S. assistance to these areas in partner countries, USAID wishes to partner with the U.S. Treasury's Office of Technical Assistance (OTA). Several of the candidate countries for new activities under the program are countries where OTA is already actively delivering technical assistance on tax, customs, budgeting, debt, and

financial sector matters or has done so in the recent past. OTA can contribute technical knowledge and valuable experience to these tasks.

Under this Agreement, OTA will provide services, reports, and other deliverables to include technical assistance and training of host-country decision-makers. Assistance through this Agreement supports E3/EP in carrying out its mission. Commodity procurement will be limited mainly to computers, notebooks, mobile phones, and other equipment necessary for analysis, research, and surveys. As currently planned, the proposed interventions will not have a direct effect on the environment. Pursuant to USAID authority under 22 CFR 216, Section 216.2 (c), a Categorical Exclusion is recommended.

**Recommended By:**   
John Crihfield  
Director, E3/EP

11/23/2016  
Date

**Concurrence:**   
Teresa Bernhard  
E3 Bureau Environmental Officer

11/26/16  
Date

Approved:   
Disapproved: \_\_\_\_\_

## REQUEST FOR CATEGORICAL EXCLUSION

### PROGRAM/ACTIVITY DATA:

**Program/Project Title:** Strengthening Revenue Mobilization, Budgeting and Financial Accountability, Government Debt and Infrastructure Finance, and Banking and Financial Services

**Program/Project Number:** TBD

**Project Country(ies):** Global

**Funding Period:** FY 2017 – FY 2022

**Life of Activity Funding:** \$9,500,000

**IEE Amendment Yes**  **No**  **If yes, date of original IEE:** \_\_\_\_\_

**IEE Prepared by:** Anton Kamenov, E3/EP 10/31/2016  
Name, Office Date

### **1. PROJECT GOAL, PURPOSE AND OBJECTIVES**

The goal of this activity is to design, develop, and assist with the implementation of bilateral commitments with selected USAID and Treasury partner countries that will (i) increase the amount of domestic revenue that is mobilized to fund effective national programs in priority sectors; (ii) enhance the efficiency and effectiveness of public spending in these countries to achieve better outcomes in priority sectors; (iii) ensure that public debt is managed in a way that supports the ability of host governments to finance their budgets, provide critical public services, and fund investments in high-priority sectors; and (iv) improve the transparency and efficiency of the financial sector, thereby increasing the availability of credit to the public and private sectors.

To achieve this goal, USAID and Treasury will partner in the various stages of the project life cycle, including: conducting assessments; designing and developing prospective projects; and implementing such projects in tax policy and administration, budgeting and expenditure management, debt management, and bank supervision. Several candidate countries are ones where the U.S. Treasury's Office of Technical Assistance (OTA) already has active programs of assistance underway or has provided such assistance in the recent past.

The proposed USAID interagency transfer to the U.S. Treasury OTA will enable OTA to deliver technical assistance to developing and transitional countries to strengthen their ability to manage public finances effectively and safeguard their financial sectors. OTA's cadre of highly-experienced technical advisors work side-by-side with counterparts in finance ministries, central banks, tax departments, and other public sector financial institutions. Assistance may be provided on a sustained basis by resident advisors, or by intermittent advisors.

Some illustrative examples of the type of assistance that will be generated under this contract include the following:

Illustrative Activity	Impact/Risks	Climate Impact	Significance (high, moderate, low)	Condition / Adaptation Action	Determination	Opportunities
Designing tools, such as instructions or frequently asked questions, that revenue authorities can use to assist taxpayers with their tax filings.	None	None	Low	None	None	There is an opportunity to move away from paper based instructions to online instructions.
Develop risk-based taxpayer compliance strategies that allow revenue authorities to direct resources where the risk of public revenue losses is highest	None	None	Low	None	None	None
Identifying the effect of public spending in specific sectors on desired sectoral outcomes, such as the number of secondary education graduates entering tertiary education institutions, and designing frameworks for the monitoring of expenditure outcome achievements	None	None	Low	Climate impact may be analyzed as part of spending analysis	None	There is an opportunity to include climate impact analysis as part of the sector outcome spending analysis training for counterparts
Proposing revisions to the processes via which public spending on individual activities is authorized so as to	None	None	Low	None	None	There is an opportunity to reduce paper trails and rely on authorization modules in existing financial management information systems, if any

improve authorization paper trails while reducing the paperwork burden on senior government officials							
Revising the debt issue schedule of the government and assisting authorities with identifying and employing new debt instruments	None	None	Low	None	None	None	
Assisting central bank authorities to identify and address systemic and emerging financial sector risks	None	None	Low	None	None	None	

## 2. JUSTIFICATION FOR THE CATEGORICAL EXCLUSION REQUEST

Pursuant to USAID authority under 22 CFR 216, this proposed program qualifies for a categorical exclusion under Section 216.2(c)(2)(i), as the project activities do not have a serious adverse effect on the natural or physical environment, and as justified by the following sections:

- Section 216.2 (c) (2) (i), education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as the construction of facilities);
- Section 216.2 (c) (2) (iii), analyses, studies, academic or research workshops and meetings; Section 216.2 (c) (2) (v), document and information transfers; and
- Section 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.

If, during implementation, activities are considered other than those described in the subject categorical exclusions, such as the use or procurement of pesticides, construction or rehabilitation, or any activity related to those in Section 216.2(d)(1), an amendment Request for Categorical Exclusion or IEE shall be submitted, as appropriate. Since the U.S. Department of the Treasury does not have requirements for environmental or social impact assessment associated with their internal projects, the USAID AOR must submit, to the E3 BEO, a description of activities prior to the implementation of those activities.