



**LAC-IEE-04-88**

**ENVIRONMENTAL THRESHOLD DECISION**

**Country:** Bolivia

**Activity Title:** Rural Electrification for Alternative Development in the Yungas (Yungas Development Initiative)

**Activity Number:** 511-0643

**Related IEE Reference Numbers:** LAC IEE-02-32 (see attached)

**Life of Project:** January 2, 2002 - December 31, 2006

**Life of Project Funding:** \$1,428,506 above the current approved Life of Project amount of \$8,928,000

**IEE Prepared by:** Ernest Rojas

**Date Prepared:** September 8, 2004

**Recommended Threshold Decision:** Negative Determination with Conditions

**Bureau Threshold Decision:** Concur with Recommendations

A **Negative Determination with Conditions** is recommended. In addition to the conditions listed in the attached IEE, the Mission Environmental Officer (MEO) will approve the establishment of utility right-of-ways if the clearing of any forest is required. Environmental reports for completed sub-projects and an annual environmental report summarizing the calendar year's activities will be submitted to the Cognizant Technical Officer for the activity and the MEO for approval. All recommended environmental conditions will be included in contractual documents or agreements regarding this activity.

**LAC-IEE-04-88**

Date \_\_\_\_\_

George R. Thompson, P.E.  
Bureau Environmental Officer  
Bureau for Latin America & the Caribbean

Copy to : Liliana Ayalde, Director, USAID/Bolivia

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## SUPPLEMENTAL INITIAL ENVIRONMENTAL EXAMINATION

**ACTIVITY LOCATION:** Bolivia

**ACTIVITY TITLE:** Rural Electrification for Alternative Development in the Yungas

**ACTIVITY NUMBER:** 511-0643  
Yungas Development Initiative

**LOP FUNDING:** \$1,428,506 of International Narcotics Control (INC) resources above the current approved Life of Project amount of \$8,928,000

**LIFE OF PROJECT:** January 2, 2002 - December 31, 2006

**SIEE DRAFTED BY:** Sergio Rivas USAID/Bolivia Yungas Program Manager

**RECOMMENDED THRESHOLD DECISION:** Negative Determination with Conditions

**DATE:** September 8, 2004

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### **I. Summary of Recommendations**

A negative determination with the condition that all appropriate USAID/Bolivia, LAC and NRECA environmental guidelines be observed. In January 1994 NRECA developed Environmental Guidelines for the Electrification for Sustainable Development Project throughout Bolivia.

### **II. Activity Description**

Since January of 2002, the GOB has included electrification services as a key component of its integrated alternative development package offered to Yungas communities conditioned upon signing coca reduction or containment agreements. The GOB has found in its negotiations with coca growing communities over the past two years that electrification is a very high priority in the Yungas.

Electrification is directly linked to the YDI sub-goal of creating incentives, including improvements in the quality of life, for individuals and communities to eliminate illegal and/or surplus coca, as stated in the revised USAID/Bolivia AD Strategic Objective (SO). It will also lead to the achievement of established indicators for the YDI by reducing enterprise costs and by

increasing household incomes. For many communities, electrification will be one of the most important development activities to enable the initiation of legal income-earning activities.

For more than ten years, NRECA has implemented a wide-ranging electrification program in Bolivia. The cornerstone of this program was financed by USAID under the Electrification for Sustainable Development Project (ESD) that was implemented from 1991 through 1997.

NRECA has examined electrification needs from more than 344 non-electrified communities throughout the Yungas. Information gathered includes number of families, kilometers of electric line required and cost estimates. Based on this information, and VDA's input on communities signing coca agreements, NRECA is implementing the Yungas AD Electrification Project.

Presently, NRECA has a Cooperative Agreement to execute three sub-projects (Caranavi, Palos Blancos and La Asunta) for a total cost of \$8.928 million. Based on slower than expected execution of coca reduction/contention agreements in La Asunta, this sub-project will be substituted by the Inicua sub-project where the GOB desires to provide electricity to communities that have already signed agreements and are outside the original project scope. The three sub-projects will benefit over 11,500 families, but will require an increase of \$1,428,506 and an addition of 22 months to finalize construction. This is due to the change of location and timing for the third subproject.

The LOP funding for all three sub-projects is \$10,856,506, of which \$10,356,506 are financed by USAID. The additional \$0.5 million will be provided as counterpart.

The three sub-projects and estimated scope are as follows:

- Electrification of Palos Blancos                      52 communities via approximately 143 Km of line and an estimated population of 2,172 families.
  
- Electrification of Caranavi                              214 communities via approximately 602 km of line and an estimated population of 5,858 families.
  
- Electrification of Inicua                                 78 communities via approximately 303 Km of line and an estimated population of 3,546 families.

### **III. Justification for Environmental Determination**

Activities under the Yungas AD Electrification Project only renovate, upgrade and expand electrical distribution systems to 12,000 households. In general, increases in energy efficiency should reduce negative environmental impacts. All distribution construction, including primary and secondary line construction, will conform to Rural Electrification Administration standards, as modified by NRECA for use in Bolivia since they were introduced by NRECA in the early 1970's.

In 1994, NRECA developed Environmental Guidelines for the Electrification for Sustainable Development Projects. Section III of these guidelines describes the level of projects and their anticipated environmental impacts. Section IV states that the majority of ESD (read Yungas AD Electrification Project) activities will result in a very low level of environmental impacts, because in almost all cases, the project will replace existing energy delivery systems such as oil

lamps, candles and wood - fires with improved, more efficient means of supplying electric energy to communities. The section goes on to identify potential impacts and propose abatement guidelines to reduce these impacts, as follows:

- Clearing rights-of-way - no chemicals,
- Pole placement -avoid fragile terrain, repair or replace soil and vegetation
- Pole treatment - EPA approved treatment
- Battery disposal (photovoltaic)- establish recycling program
- Monitoring of activities by NRECA with semi-annual reports to USAID CTO

As per Threshold Decision for NRECA activities contained in LAC-IEE 03-32, NRECA's activities in the Yungas will be covered by expanding its Environmental Guidelines for the Electrification for Sustainable Development Project (January 1994) to include the Yungas region.

#### IV. Recommendation

For the Yungas AD Electrification Project a negative determination is recommended with the condition that all appropriate USAID/Bolivia and LAC as well as NRECA environmental guidelines for these activities apply. The evaluation of the environmental assessment approved for the Yungas Development Initiative will review NRECA Environmental Guidelines. The evaluation is due sometime in September or October 2004. All recommendations by this evaluation for the application of NRECA environmental guidelines will be followed.

22CFR 216 References: 22CFR 216.3 (a) (3) states: Negative Declaration. The Assistant Administrator, or the Administrator in actions for which the approval of the Administrator is required for the authorization of financing, may make a Negative Declaration, in writing, that the Agency will not develop an Environmental Assessment or an Environmental Impact Statement regarding an action found to have significant effect on the environment when (i) a substantial number of Environmental Assessments or Environmental Impact Statements related to similar activities have been prepared in the past, if relevant to the proposed action.

Approved: \_\_\_\_\_  
Edward T. Landau  
Acting Mission Director  
USAID/Bolivia

Disapproved: \_\_\_\_\_  
Edward T. Landau  
Acting Mission Director  
USAID/Bolivia

Date \_\_\_\_\_

Clearances:

AD: PNatiello in draft Date 08/05/04

ENV:VBullen in draft Date 08/27/04

A/DD:PNatiello in draft Date 09/02/04

AD:SRivas 08/04/04: P:\CN\YUNGAS\environment\SIEE NRECA extension through 2006.doc

**LAC-IEE-02-32**

**ENVIRONMENTAL THRESHOLD DECISION**

<b>Activity Location</b>	: Bolivia
<b>Activity Title</b>	: Rural Electrification for Alternative Development in the Yungas (READY)
<b>Activity Number</b>	: 511-0643
<b>Funding</b>	: \$6,019,000
<b>Life of Project</b>	: January 2, 2002 – September 30, 2003
<b>IEE Prepared by</b>	: Victor Bullen, REA, USAID/Bolivia
<b>Recommended Threshold Decision</b>	: Negative Determination
<b>Bureau Threshold Decision</b>	: Concur with Recommendation

**Comments:**

This IEE amends LAC-IEE-00-58 to reflect an increase in program funding to incorporate a rural electrification program that was not evaluated in the previous IEE.

Pursuant to 22 CFR 216.3(a)(3)(iii), a **Negative Determination** is issued to the Rural Electrification for Alternative Development in the Yungas (READY) program with the condition that program implementation adhere to appropriate environmental guidelines. LAC Bureau Environment Officer (BEO) concurs with the Mission’s proposal to use the guidelines developed by the National Rural Electric Cooperative Association (NRECA) in January 1994 for the Electrification for Sustainable Development Project.

The IEE notes that “NRECA’s activities in the Yungas will be covered by expanding these guidelines to include the Yungas Region.” In addition to these modifications, LAC BEO requests that the environmental guidelines address the following issues:

- Conditions or limitations on the source of the wood used for utility poles
- Reevaluation of the use of Copper Chromium Arsenic (CCA) as treatment for the utility poles. The document needs to include guidelines on the proper handling, storage and disposal of CCA, as well as on application protocols and training needs for applicators.
- Mission Environment Officer shall approve the establishment of utility right-of-ways if the clearing of forests is required.

A copy of the expanded guidelines in English and Spanish shall be submitted to LAC BEO prior to initiating activities. A report evaluating the effectiveness and appropriateness of the NRECA guidelines and monitoring program for READY activities shall be submitted to LAC BEO no

later than January 31, 2003. The report shall include recommendations for change, as appropriate.

A copy of this Environmental Threshold Decision and Initial Environmental Examination shall be included as part of any contract documents and/or agreements with implementing partners.

\_\_\_\_\_Date\_\_\_\_\_

Morris Israel  
Deputy Bureau Environment Officer  
Bureau for Latin America and the Caribbean

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