



LAC-IEE-04-66

CATEGORICAL EXCLUSION

Project Location: Caribbean Region

Project Title: Caribbean Region Positioned to Succeed in an Open Trade Environment

Project Number: 538-009

Funding: US\$ 62,500,000

Life of SO: FY 2005-2009

IEE Prepared by: John Wilson, USAID/CRP

Clearance: Mansfield Blackwood
Senior Technical Specialist, Economic Growth (CRP)

**Recommended
Threshold Decision:** Categorical Exclusion

Bureau Threshold Decision: Concur with Recommendation

Comments:

The three components of this program involve the provision of technical assistance in training, policy and legislative development and institutional capacity building and will have no negative impact on the physical or natural environment. Therefore, per 22 CFR 216.2(c)(2)(i),(iii),(v) and (xiv), a **Categorical Exclusion** is issued for this program.

However, should any activity be found to have a potential negative impact on the environment at any point during the life of this strategy, a supplemental IEE will be submitted for the activity. In addition, the Mission will monitor activities on an ongoing basis to ensure that there are no potential negative environmental impacts of their activities.

At the end of each fiscal year, the implementing agent as part of its regular reporting requirement will include a section of its annual report on the whether any changes have occurred,

including those involving changes in government, which may lead this program to have a negative impact on the environment; in such case a supplemental IEE will be submitted.

CTOs are responsible for making sure environmental requirements are met. It is the responsibility of the SO Team to ensure that the SOAG and MAARDs for contracts and grants contain specific instructions to this effect.

_____ Date _____
George R. Thompson, P.E.
Bureau Environmental Officer
Bureau for Latin America and the Caribbean

Copy to : Karen Turner, Director, USAID/Jamaica

Copy to : Howard Batson, MEO, USAID/Jamaica

Copy to : Mansfield Blackwood, USAID/Jamaica

Copy to : Mike Donald, REA

Copy to : Dan Riley, LAC/CAR

Copy to : IEE File

Attachment: IEE

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INITIAL ENVIRONMENTAL EXAMINATION
Project Number

Project Location: Caribbean Region

Project Title: Caribbean Region Positioned to Succeed in an Open Trade Environment

Project Number: 538-009

Funding: US\$63,370,000

Life of SO: FY 2005-2009

IEE Prepared by: John Wilson, USAID/CRP

Clearance: Mansfield Blackwood
Senior Technical Specialist, Economic Growth (CRP)

Recommended
Threshold Decision: Categorical Exclusion

CONCURRENCE

Howard Batson
Mission Environment Officer
USAID/Jamaica

MISSION DIRECTOR'S
DECISION

Approved: _____
Karen Turner

Date: _____

LAC BUREAU
ENVIRONMENTAL
OFFICER'S DECISION

Approved: _____
George Thompson

Date: _____

Background

The Caribbean region continues to encounter economic, social and political challenges in adjusting to an open trade environment. Because of the geographic dispersion and the small size of the countries, the region faces global challenges in which preferential trade regimes and direct foreign assistance continue to decline. Concomitant with small market size, limited natural resource base and lack of an aggressive entrepreneurial spirit have significantly affected the capacity of regional businesses to compete internationally, to increase intra-regional trade or to obtain a growing share of the extra-regional market.

Two main impediments to the Caribbean's transition to a globally competitive environment are legislative deficiencies and a weak private sector. This condition demands that the initial thrust of our development resources focus on the removal of legal and administrative impediments which constrain the establishment of a Caribbean Single Market and Economy. Supporting the CSME process is therefore one of the pivots in USAID's Regional Strategic Objective on Open Trade "**Caribbean region positioned to succeed in an open trade environment**" over the period 2005-2009. This Objective provides a framework for the region to modernize its legislations and regulations impacting on trade, as well as support the creation of an enabling environment necessary for the competitiveness of the regions goods and services.

Program Description

The program will identify areas of opportunities which will support the removal of impediments to open trade as well as reduce constraints to doing business in the region. This could include revamping customs policies and procedures; revising trade tax regimes; removing inappropriate bottlenecks stifling the growth of businesses; supporting the development and implementation of appropriate measures which mitigates against disasters which impact on the economic well being of the region, and promoting activities and opportunities for the growth of open trade in the region. The activities planned are based on three key intermediate results (IRs).

IR.1. Impediments to open trade mitigated. USAID will provide technical assistance to expand the capacity of the Regional Legislative Drafting Facility to ensure that draft trade legislation will become national legislation in its beneficiary countries; support a systematic training program for judges in the intricacies of trade law adjudication to ensure expeditious and transparent determination in the modern application of trade disputes; provide assistance to the Caribbean Regional Negotiating Machinery in the form of capacity building for critical position in the organization, and continue support for the Caribbean Regional Technical Assistance Center to facilitate improvements in regional tax reforms and customs reforms systems.

IR.2. Business constraints reduced and market opportunities leveraged. USAID will support planned measures under the Caribbean Single Market and Economy (CSME) to reduce constraints to doing business and promoting an investor friendly environment. Assistance will involve direct program support to CSME for achieving its goal of improving conditions for production integration across borders through the development of human and capital resources availability. To help support human capacity development, USAID will provide technical

assistance to learning institutions to help develop their business curricula and to upgrade and diversify the skills and knowledge of human resources in the region. Other activities will focus on leveraging appropriate market opportunities through the development of such mechanisms as a regional business roadmap, tracking of market changes, and the possible use of DCA resources to support the hotel sector of sustainable energy initiatives.

IR.3. Environmental and disaster preventions frameworks for economic growth strengthened. The program will also help to ensure that the physical environment which supports economic activities is protected and strengthened. This will include support for capacity building in policy making and negotiating mechanisms in trade and the environment; compliance with international health and environmental standards; environmental goods and services; fisheries subsidies, eco-labeling and environmentally sound processing and production methods, and support for trade-related intellectual property rights and the Convention on Biological Diversity. USAID will also support disaster mitigation measures, including legislative strengthen of the insurance sector; improving inspection programs; ensuring building codes are approved and enacted into law, and support for integrated coastal zone planning for all countries.

Program Implementation

This SO will be managed by a USDH out of the USAID/J-CAR's Caribbean Regional Program Barbados office. The Team Leader will coordinate and supervise the work of implementing partners. The Program will be implemented primarily through performance-based institutional contracts, supported by direct grants to key institutions as well as the possibility of Mission buy-ins from USAID's centrally-funded projects.

Environmental Impact and Mitigation Measures

The three components of this program involve the provision of technical assistance in training, policy and legislative development and institutional capacity building and will have no negative impact on the physical or natural environment. The program therefore qualifies for a Categorical Exclusion under 22 CFR 216.2(c)(2)(i),(iii),(v) and (xiv).

However, should any activity be found to have a potential negative impact on the environment at any point during the life of this strategy, a supplemental IEE will be submitted for the activity. In addition, the Mission will monitor activities on an ongoing basis to ensure that there are no potential negative environmental impacts of their activities.

Recommendations for Threshold Decision

Pursuant to 22 CFR 216.2(c)(2)(i),(iii), (v) and (xiv), a **Categorical Exclusion** is recommended to activities involving the provision of technical assistance, policy dialogue, education, workshops and others as identified in the IEE as these will not have an impact on the environment.