



LAC-IEE-05-38

ENVIRONMENTAL THRESHOLD DECISION

Country: Honduras

Activity Title: Development Credit Authority, Loan Portfolio Guarantees (LPG)

Activity Number: 522-0439

Life of Project: FY 2005 – FY 2012

Life of Project Funding: \$277,600

IEE Prepared by: Peter Hearne,
Mission Environmental Officer

Date Prepared: August 29, 2005

Recommended Threshold Decision: Categorical Exclusion/Negative Determination with Conditions

Bureau Threshold Decision: Categorical Exclusion/Negative Determination with Conditions

Comments:

This Environmental Threshold Decision amends ETD LAC-IEE-05-34. The following two conditions are no longer valid:

- “Activities should be reviewed, on a case by case basis, to determine potential negative environmental impacts, proposing measure to mitigate them using the provision of “*LAC Bureau Environmental Guidelines*” – Chapter 2, for renovations and retrofitting associated with infrastructure modifications,

Chapter 4 for Micro Enterprise activities and Chapter 7 for eco-tourism related activities along twith other environmental “best practices.”

- “Mission approval of each loan will include a review and concurrence by the Mission Environmental Officer to ensure that each activity is in compliance with 22 CFR 216”

The following two conditions will replace the previous two:

- The DCA partner, COVELO, will continue to use its internal environmental review procedures to screen its loans (and will provide an annual report on environmental compliance as outlined in the original ETD)
- The CTO for this activity and the MEO will review a list of current loan applications and select 2-3 projects on a quarterly basis during the first year – and at least on an annual basis after that – that have potential for causing negative environmental impacts, making a more detailed review along with a field visit, and any recommendations for technical assistance or follow up that may be needed. The information to be provided for each loan would be provided by COVELO as part of their normal process of registering each loan under the Credit Monitoring System (CMS) and would not require additional work from this institution.

All other conditions from the original ETD will remain the same.

_____Date_____

Victor H. Bullen
 Bureau Environmental Officer
 Bureau for Latin America & the Caribbean

Copy to: Paul Tuebner, Mission Director
 USAID/Honduras

Copy to: Carlos Solis, SPS, USAID/Honduras
 Peter Hearne, MEO USAID/Honduras

Copy to; Mike Donald, Regional Environmental
 Advisor, USAID/DR

Copy to: David Jessee, Laura Libanati
 LAC/CAM

Copy to: IEE File

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COVELO Amendment to IEE05-34).doc