

INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Grenada

Project Title: Special Objective – Grenada and Caribbean Hurricane Recovery

Funding: US\$ 44 million

Life of SO: November 29, 2004 – December 31,2005

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Recommended
Threshold Decision: Categorical Exclusion/Negative Determination with
Condition/Deferral

CONCURRENCE

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**MISSION DIRECTOR'S
DECISION**

Approved: _____
Karen D. Turner

Date: _____

**LAC BUREAU
ENVIRONMENTAL
OFFICER'S DECISION**

Approved: _____
Jerry Bisson

Date: _____

Background:

On September 7, 2004 Hurricane Ivan, the most powerful hurricane to hit the Caribbean region in the last 10 years, ravaged Grenada with winds of over 135 miles per hour. This Category Four hurricane left behind an unimaginable scene of destruction on this three island nation of 102,000 inhabitants with 41 confirmed deaths.

Of the six parishes on the island, four—St George, St David, St. Andrew, and St. John—were the most severely affected. These parishes constitute 80% of the island's population and 90-96% of the population in these parishes was affected. Moreover, 75% of the nation's poor live in these parishes, and more than half of these (52%) have female-headed households.

Damage has been reported in the following categories: - housing and household property, schools, public buildings and other health facilities, hotels, sites and attractions, agriculture and crops as well as infrastructural damage to roads , ports and telecommunications infrastructure.

On October 12, 2004, Congress passed a supplemental appropriation which provided \$100 million "to respond to the disasters caused by hurricanes and tropical storms in the Caribbean region." Of this amount, \$42 million is proposed for Grenada for community revitalization, education support, enhancement of productive and capacity as well as cross cutting government support. This supplemental funding allows USAID to provide recovery assistance that is both substantial and prompt. The proposed 12 -month program will help the people of Grenada quickly to rebuild and resume their path of sustainable development. In addition \$2 million is being provided for other affected islands in the Caribbean (Bahamas, St. Vincent and the Grenadines and Trinidad and Tobago) to facilitate housing repairs. Assistance to the other affected islands will finance housing repairs and new housing construction in the hardest hit communities. As in Grenada, any new construction will include site development, as needed.

Program Description: The proposed activities of the proposed Special Objective "*More secure lives and livelihoods for people in Grenada and other Caribbean islands affected by hurricanes*" will give urgent attention to people's livelihoods and shelter needs, targeting the neediest and hardest hit communities. To achieve the Special Objective, three intermediate results (IRs) have been identified.

IR1: Target Communities Revitalized (\$14.6 million) - Assistance under this IR will be focused primarily on the most urgent rehabilitation needs of hardest hit communities in the parishes of St. George, St. Andrew and St. David, and will target lower income and most vulnerable groups. In addition to the repair of 8000 houses using a self-help mechanism there will be construction of new housing (150 homes) and repairs to 17 community centers. A number of tourism sites and attractions will be repaired primarily in the areas of St. George's, St Andrew and St. David, activities will include physical repair, signage, provision of equipment and landscaping as appropriate. There will also

be activity in the area of water and sanitation systems being repaired in targeted communities.

Assistance will include strengthening local capacity to carry out the work (including compliance with environmental standards and building codes) and will create community-based income opportunities.

In the other islands only housing repairs will be affected in communities yet to be identified.

IR2: Productive and export capability reestablished (\$ 8.5 million) - Under this IR, USAID will provide technical assistance and grants to small and medium enterprises and agribusiness, hospitality and construction skills training, revitalization of fisheries industry and assistance to farmers to increase production of local and traditional cash crops.

This will include the provision of technical assistance to selected business in the capital of St Georges's (including agricultural and commercial) to develop business recovery work plans. Technical and developmental support will be provided to the craft and giftware sector that is expected to provide employment, particularly for persons displaced from jobs due to the hurricane's impact.

In an effort to assist many small businesses in Grenada, grants will be provided for small and medium size enterprises (SME) especially in the fields of wholesale, retail, services, manufacturing and tourism primarily for (i) repair and replacement of plant and equipment, (ii) replenishment of stock and (iii) other investments.

Training will focus on the two important economic engines of construction and hospitality skills (tourism), to address specific needs in these two industries which are crucial to the economic recovery of Grenada.

Agriculture productivity and fisheries will be stimulated through direct technical assistance in the areas of agribusiness, revitalization of traditional cash crops (nutmeg and cocoa), and restoration of the marine fisheries sector. The activities will include marketing, post harvest handling, replanting of crops, modernization of processing techniques and equipment, replacement of fishing gear and repairs to damaged boats.

IR3: Educational capacity in target schools restored (\$10.4million) - Under IR-3, USAID will finance the repair of primary schools and the community college that fall under the Caribbean Excellence in Teacher Training (CETT) activity, in addition additional work will be undertaken in the parishes of St. Andrew, St David and St. George. Priority will be given to facilities that have received Level 5 damage as well as those functioning as hurricane shelters. This will involve the repair of roofs, rehabilitation to structures and the provision of equipment and furniture for those schools. The schools will be restored to pre-Ivan condition or better and will meet environmental standards and building codes. Schools which also function as shelters will be made fully

operational for that function as well. Repair work will be done through subcontracts with NGOs or local building contractors.

Program Implementation: USAID proposes to use the services of an institutional contractor to oversee the program contemplated under this special objective. Contractor costs, including contractors' costs of implementing the program components and the costs of the management contract to oversee the program, are estimated at 20 percent of the total program and are incorporated in the budgets for each IR.

Environmental Impact and Mitigation Measures: Where the three components of this program involve the provision of technical assistance in the form of educational training and social and institutional capacity building there will be no negative impact on the physical or natural environment. In fact training and technical assistance will promote sector best practices with an emphasis on minimizing environmental concerns.

Housing and sanitation solution construction activities to be funded under the special objective may have potential negative impacts on the environment as listed in the Table 1 below. Where the activity involves housing construction, the review of environmental impacts and an Environmental Impact Assessment will be carried as a requirement of USAID environmental considerations and national the legislation and processes of respective countries. The contractor is therefore responsible for ensuring that local environmental and planning requirements are met.

Under the agricultural program there is potential for impacts from poor land management and agrochemical use. Measures will be implemented to ensure "best practices" in effective moisture control, fertility and moisture management, and integrated pest management are incorporated. Agricultural chemical selected for use under the activity will be eco-friendly, with pesticides if needed being selected from the USEPA list of approved pesticides and approved by Grenada's Pesticides Control Authority (PCA) and other relevant agencies. For these activities a Supplemental IEE, prepared in accordance with Section 216.3(b) of the Agency's Environmental Regulations, will be submitted to LAC BEO

Table 1: Summary of Activities, potential environmental impacts and Mitigative Measures

Intermediate Result/Activity	Potential Environmental Impact	Conditions recommended for mitigation
IR 1: Training for improved water and sanitation systems	No Impact	Training to be provided in basic waste, sanitation and environmental management to ensure environmental safeguarding for these and future local projects, including: proper use and maintenance of latrines, proper use and conservation of water, construction, and use of improved hurricane and energy-efficient housing techniques
IR 1: Housing repairs	1. Large amount of debris will be generated	Binding agreement between collaborators, including local environmental authorities, at beginning agreeing to method and site for disposal of waste materials
IR1: Repairs to and construction of water and sanitation systems	1. Improper site and technology selection for sanitation facilities can lead to harmful environmental effects	Binding agreement between collaborators, including local environmental authorities regarding the type of sanitation facilities rehabilitated or installed in target sites
IR 1: New Housing Construction	1. Improper consideration of sanitation facilities will lead to harmful environmental effects 2. Removal of plant in land preparation	The contractor will be required to address all environmental considerations associated with this activity as well as conformation with the permitting process administered by the Government of Grenada.
IR 2: Training and Technical Assistance business recovery and market coordination	No Impact	Training to emphasize the transfer of best business management practices, including environmental management systems (EMS).
IR 2: Training and Technical Assistance fisheries sector needs assessment and response package	No Impact	Training to promote the conservation and sustainability of fishery resources and aquatic ecosystems
IR 2: Grants to restore cash crop production	1. land degradation due to the poor agricultural practices 2. Contamination of waterways by agro-chemicals	1. Training on agricultural best practices, including land management and agro-chemical use to be conducted with recipients. 2. Promotion of organic farming 3. Agrochemicals to be selected for EPA approved list 4. No non-native will be introduced under the program
IR 2: Grants to restore poultry and marine fisheries industry	1. generation of Nitrogen rich waste 2. Over-fishing with the use of improved gear	1. Best practices in organic and inorganic waste disposal to be promoted 2. best practice training to support program; gear will be provided
IR 3: Repairs and Upgrades to Schools and Community	1. Generation of Debris 2. Plant removal for any new construction	1. Binding agreement between collaborators, including local environmental authorities, at beginning agreeing to method and site for disposal of waste materials 2. Trees/plants to be planted where construction activity has resulted in land clearing

Monitoring and Reporting: This Intervention will be managed within the USAID/Jamaica- Caribbean Office based in Barbados by a USAID Technical Officer. Each activity will have site specific impact and mitigation measures that will be applied based on the contractor’s findings on completion of the attached checklists as per “USAID/LAC Environmental Guidelines” and approval by the Cognizant Technical Officer (CTO). The process of monitoring and verification of the implementation of mitigation measures will be local with CTO oversight. The CTO will be responsible for overseeing and monitoring all program activities throughout the life of the activity and will also ensure that all activities are in compliance with the categorical exclusion threshold decision and negative determinations which are being recommended for this program. In addition USAID/J-CAR will ensure that all environmental compliance activities are elaborated upon in the Final Reports.

The CTO, together with partners, will be responsible for elaborating a report on environmental compliance in six months and again at fourteen months. USAID/J-Car’s Mission Environmental Officer will approve these compliance reports. Appropriate sections of USAID/LAC Environmental Guidelines will be followed for corresponding activities of Hurricane Ivan Grenada/Caribbean Community Revitalization.

Recommendations for Threshold Decision: Categorical Exclusion/Negative Determination with Conditions / Deferral

Pursuant to 22 CFR 216.2(c)(2)(i), (v) and (xiv), a **Categorical Exclusion** is recommended for activities which involve the provision of technical assistance, education training, and social and institutional capacity building, which have no significant effect on the environment. Section 216.2 (c) specifically describes those activities that are wholly technical assistance and training as being qualified for categorical exclusion.

A **Negative Determination with conditions** is recommended for activities under the IRs involving small-scale construction, and soil and water conservation, agriculture and economic sector re-activation. Significant adverse environmental impacts are not reasonably foreseeable from implementation of these activities. Potential minor impacts will be identified and mitigative measures applied by contractors/grantees through the review of approved “Environmental Guidelines for Development Activities in Latin America and the Caribbean” and completion of the appropriate checklist. The contractor or grantee will be required to submit for USAID review and approval appropriate monitoring protocols. Furthermore, the following language will be included in Grant Agreement, and in all contracts and agreements under this activity:

“The Grantees and/or Contractors agree that all activities funded under this Agreement will comply with all environmental requirements applicable to USAID-financed activities, including those set forth in Title 22 of the United States Code of Federal Regulations Part 216. .

For activities relating to agro-chemicals a **Deferral** is recommended, and in accordance with the procedures set forth in 22 CFR 216.3(b)(1), a supplemental IEE will be

submitted to LAC Bureau upon final design of activities not specified in this document as well as when project specifics regarding use of chemicals are known.

General Conditions

All sub-grants issued under this agreement/contract shall contain a requirement that: “Under no circumstances will funds be used for the procurement or use of pesticides, the purchase of equipment which could be used for commercial timber harvesting, nor activities, projects or programs, including management plans involving commercial timber harvesting unless the appropriate environmental assessment is conducted and is approved by the LAC BEO.”

Language in contracts and agreements should be included to ensure that the contractor/grantee is aware of and implements required mitigations or other prescribed environmental management measures pertinent to Regulation 216.

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