



LAC-IEE-04-60

ENVIRONMENTAL THRESHOLD DECISION

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| Activity Location | : Guatemala and other CA countries |
| Activity Title | : SO 596-005 “Increase C.A. Competitiveness in Global Markets (PROALCA II)” (byDAI) : SO 598-021 “Advancing development cooperation opportunities in the Hemisphere” : SO 020-0002.2 “Building Public Private Alliances” |
| Activity Number | : 596-0184.1; 598-0021.00; 020-0002.2 |
| Funding Source | : DA (FY04) and ESF (FY04) |
| Funding | : DA: \$1,250,000 & 500,000 ESF: \$250,000 TOTAL: \$2,000,000 |
| Life of Project | : Two years, starting September 2004 |
| IEE Prepared by | : Zoila Aurora Letona, USAID/G-CAP TEA |
| Recommended Threshold Decision | : Negative Determination |
| Bureau Threshold Decision: | : Concur with Recommendation |

Comments: A **Negative Determination** is issued for the activity to assist the Ministries of Labor of Central America and to support sustainable improvements in the workplace in the Central American maquila sectors. This is called Alliance for “Continuous Improvement in the Central American Workplace (CIMCAW)”, and will be executed by the DAI, Development Alternatives, Inc. organization.

Though this activity is exclusively technical assistance, and might have been issued a Categorical Exclusion, because it is TA to industries, analysis was done to determine if it might have any negative effect on the environment. The Mission determined that the TA provided have negligible effects on the environment because it involves transference of knowledge and information concerning labor rather than industrial processes.

CTOs should be made aware that they are responsible for making sure environmental requirements are met. They should monitor if TA provided takes part in any industrial processes. If so, additional environmental review should follow.

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

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Copy to : Letona Zoila, INR, USAID/ G-CAP
Copy to : James Stein, G-CAP
Copy to : Loren Stoddard, G-CAP
Copy to : Michael Kerst, LAC/CAM
Copy to : Michael Donald, REA, Central America
Copy to : IEE File

Attachment: IEE

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INITIAL ENVIRONMENTAL EXAMINATION

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| Activity Location | : Guatemala and other Central American Countries |
| Activity Title | : SO 596-005 “Increase C.A. Competitiveness in Global Markets (PROALCA II)” : SO 598-021 “Advancing development cooperation opportunities in the Hemisphere” : SO 020-0002.2 “Building Public Private Alliances” |
| Activity Number | : 596-0184.1; 598-0021.00; 020-0002.2 |
| Funding Source | : DA (FY04) and ESF (FY04) |
| Funding | : DA: \$1,250,000 & 500,000 ESF: \$250,000 TOTAL: \$2,000,000 |
| Life of Project | : Two years, starting September 2004 |
| IEE Prepared by | : Zoila Aurora Letona, USAID/G-CAP TEA |
| Recommended Threshold Decision | : Negative Recommendation |
| Date prepared | : August 4, 2004 |

Comments:

This IEE amends LAC-IEE-01-36 (Increased C.A. Competitiveness in Global Markets PROALCA II) approved by the LAC Bureau Environmental Officer on June 18, 2001 to include this activity that is in response to a request from the Global Development Alliance Secretariat (GDA) “Continuous Improvement in the Central American Workplace (CIMCAW) activity, to assist the Ministries of Labor of Central America and to support sustainable improvements in the workplace in the Central American maquila sectors. This activity will be executed by the Development Alternatives, Inc. (DAI). It is expected that it will be implemented during two years, September 2004 to September 2006 under the current strategy, which is covered by the said IEE.

RECOMMENDATION FOR THRESHOLD DECISION:

Pursuant to Section 216.2(a) of A.I.D. environmental procedures, environmental analysis/evaluation is required for new activities or for new components added during revision or amendments that were not previously subject to environment review. The attached package is presented in order to amend the Activity Title and Number, for activities carried out under SO 596-005 “Increased C.A. Competitiveness in Global Markets (PROALCA II)” Activity Number: 596-0184.1. These activities qualify for a negative determination due to neutral effects on the environment.

Concurrence:

Todd Amani
Acting Mission Director, USAID/G-CAP

Date:

OVERVIEW AND PROJECT DESCRIPTION

This IEE covers the activities that will be undertaken to fulfill USAID/G-CAP's objectives that support USAID/G SO 596-005 "Increased C.A. Competitiveness in Global Markets" (PROALCA II)."

This activity is in response to a GDA Secretariat request for alliance presented to the USAID/G-CAP to assist the Ministries of Labor of Central America to support sustainable improvements in the workplace in the maquila sectors. This is called Alliance for "Continuous Improvement in the Central American Workplace (CIMCAW)", and will be executed by the Development Alternatives, Inc. DAI. This alliance will build factory capacity to foster continuous workplace improvement in labor standards. Its focus is on joint worker and manager trainings that integrate best practices into factory systems and yield increased productivity and profitability. By involving major apparel brands, the project demonstrates to factory owners the incentive for improving labor standards. Auditor training will be provided to strengthen workplace oversight capacity and support workplace-oriented NGOs to deliver high-quality training and audit services and improve their business skills to ensure organizational sustainability. Through meeting workers' needs for a range of basic skills, the project will build partnerships to establish facilities offering work and life skills training and services that enable them to effectively represent their interests and be productive members of worker organizations, families, and communities.

DESCRIPTION OF ACTIVITIES:

The CIMCAW Alliance will design and deliver a range of services to promote higher labor standards and improved workplace conditions, building on field-tested modules and responding to the business needs of buyers and suppliers. These services will include:

- Innovative combinations of worker and manager training on issues such as national labor standards and labor legislation, core international labor rights, human rights, gender issues, workplace codes, conflict resolution, safety and health;
- Needs assessment of each national apparel industry and its key players, supplementing rather than duplicating existing research and data and ensuring local relevance;
- Developing effective industrial relations systems and ongoing social dialogue;
- Training curricula and follow-up programs designed to integrate compliance with labor standards into factory management systems;
- Training of workers and managers in the use of self-diagnostic tools that build factory capacities to tackle current and future problems and engender a culture of continuous workplace improvement;
- Life skills training that supports broad-based community development by strengthening worker skills and addressing gender issues in the mostly female apparel work force; and

- The establishment of work force development partnerships that link workers to communities and establish facilities to provide a broad menu of relevant training and services, including workers' rights and life skills.
- Measuring impact to facilitate private sector decision making.

For all of these activities, the assistance itself does not have negative environmental impacts, and USAID does not have direct control of implementation.

A Negative Determination is recommended for the activity to assist the Ministries of Labor of Central America and to support sustainable improvements in the workplace in the Central American maquila sectors. This is called Alliance for "Continuous Improvement in the Central American Workplace (CIMCAW)", and will be executed by the DAI, Development Alternatives, Inc. organization.

This recommendation is based on the fact the there will be negligible effects on the environment because it involves transference of knowledge and information.

CLEARANCES:

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|---------------------|-------|
| Michael Donald, REA | _____ |
| James Stein, TEA | _____ |
| Liliana Gil, PDM | _____ |