AMENDED INITIAL ENVIRONMENTAL EXAMINATION

COUNTRY: Guatemala

TITLE: Increased Rural Household Income and Food Security

IEE REFERENCE NUMBER: LAC-IEE-03-29

DURATION: FY 2002-2005

AMOUNT: US$25,715,000 (PACD)

FUNDING: $128,509 (DA FUNDS)

PROJECT NO: 520-0425

IEE PREPARED BY: Mario Aragón, INR

RECOMMENDED THRESHOLD DECISION:
Negative Determination with Conditions

DATE PREPARED: October 28, 2004

RECOMMENDATION FOR THESHOLD 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 environmental review. The attached package presents a detailed analysis of the environmental status of each of the activities. This IEE reviews environmental compliance to date and updates previous environmental determinations, which expired in September 2001 and have been extended through December 2004. A negative determination with conditions is recommended for small scale construction, road rehabilitation and 500 meters of road construction. Appropriate mitigation measures will be specified, included in design and monitored.

The Ministry of Agriculture, Livestock and Food/CIPREDA should be aware they are legally responsible for making sure environmental requirements are met.

All cooperative agreements and contracts issued under this activity should contain a condition that states that: 'Under no circumstances will funds be used for the procurement of pesticides, the purchase of equipment which could be used for commercial timber harvesting nor activities, projects or programs (this includes dome, management plans) involving commercial timber harvesting unless the appropriate environmental assessment is conducted and is approved by LAC BEO (see FAA II 8 provisions under Small Grants below).

The following special covenant will be included in the Fixed Amount Reimbursement Agreement 'Except for activities qualifying for a Categorical Exclusion (as per Title 22 of the U.S. Code of Federal Regulations, Part 216) no funds will be disbursed to any activity prior to an environmental review (IEE) approved in writing by USAID.'

The respective SO Team is responsible for ensuring that this Regulation 216 language is incorporated into all relevant procurement documents by providing specific instructions to this effect in the MAARD. The USAID's Civil Engineer will provide supervision and monitoring to the whole process, in close contact with the REA.

Concurrence:_____

Glenn E. Anders
USAID/G-CAP Director

Date: _____

Clearance Sheet:

Drafter:
MAragón, INR_____ _____
Clearances:
KRockeman, INR_____ _____
MDonald, INR_____ _____
LGil, PDM_____ _____
TAmani, DIR_____ _____

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A. BACKGROUND

Through Implementation Letter No. 27, dated July 8, 2004, the United States Agency for International Development (USAID) approved up to US$128,509 (ONE HUNDRED TWENTY-EIGHT THOUSAND FIVE HUNDRED NINE UNITED STATES DOLLARS) to provide support to various community based tourism initiatives, under the Grant Agreement dated September 24, 1997, between USAID and the Government of Guatemala (GOG) (USAID Project No. 520-0425.1) and specified that the funds will be made available under the mechanism of Fixed Amount Reimbursement Agreements (FAR) to be signed between the GOG Ministry of Agriculture, Livestock and Food (MAGA) and USAID utilizing specifications approved by the USAID civil engineer and with the administrative and supervision services from the International Center for Agricultural Development Pre-Investment (CIPREDA).

All the equipment, labor, materials and work performance to be financed under this FAR 520-0425.1/2004-02, will be in strict accordance with the specifications, drawings, and schedules approved by USAID's Civil Engineer for these specific projects. The work covered by these specifications requires steady and uninterrupted progress during construction. MAGA-CIPREDA is the contracting entity and is responsible for supervising the Contractor/s and ensuring that they will diligently undertake the work and provide the necessary equipment, skilled and experienced labor, and an efficient supply of services and materials to insure uniform and continuous progress once construction has been started. However, as described below, USAID supervision and final approval of the works will be required prior to the disbursements of USAID funds.

B. ACTIVITIES AND THE ENVIRONMENTAL CONSIDERATIONS

Following are the activities that are to be funded by this Agreement, and the type of infrastructure to be constructed:

I – Second phase of ecotourism infrastructure for the Candelaria River Caves National Park, signals and complementary infrastructure in Alta Verapaz and Peten. US$73,400 (SEVENTY THREE THOUSAND FOUR HUNDRED UNITED STATES DOLLARS).

1. Types of infrastructure:
   a) Signals (general information and guidance)
   b) Interpretive paths (caves and archaeological sites)
   c) Camping cabins
   d) Rest rooms
   e) Parking areas
   f) Walking bridges
   g) Dressing rooms

2. Potential Damages
   - Damage or destroy sensitive terrestrial ecosystems in the course of site clearing or preparation
   - Cause erosion, siltation, changes in natural water flow, or damage
   - Harm terrestrial ecosystems via harvesting of timber or other natural products
   - Contaminate water with human or animal excrement and pathogens
   - Create pools of stagnant water
   - Contaminate groundwater with pathogens
   - Contaminate surface water with nutrients, biological oxygen demand, suspended solids, and pathogens (Septic tank effluent generally contains relatively high concentrations of these)
   - Contaminate water supplies, damage water quality and transmit disease to other locations if waste is not properly handled and treated during or after servicing

3. Mitigation measures

- Design facility to create least impact
- Minimize disturbance of native flora during construction
- Remove without destroying large plants and turf. Use erosion control measures such as hay bales. Replant recovered plants and other appropriate local flora as soon as possible
- Focus on proper use and maintenance as part of behavior change and education program (P&D)
- Construct spigot or similar system that prevents people from touching impounded water with their hands or mouths (P&D) (C)
- Use fencing that will keep live stock from grazing up-gradient of the water supply improvement (P&D) (C)
- Do not allow animals to drink directly from water source (O&M)
- Monitor drains and soakways and clear debris (O&M)
- Monitor and repair leaks from cracked containment structures, broken pipes, faulty valves, and similar structures (O&M)
- Establish a system for regulating use, such as a local warden or pricing
- Evaluate depth of water table, including seasonal fluctuations and groundwater hydrology. If water table is too high line tank with clay, plastic sheeting, or other impermeable material to prevent leakage (P&D) (C)
- Avoid directly discharging effluent to waterways. Discharging to waterways with sufficient volume and flow to assimilate waste may be acceptable, but secondary treatment is preferred—passing effluent through an anaerobic filter followed by discharge to an absorption field or, better, a constructed wetland (P&D)
- Ensure that a reliable system for safely removing sludge and transporting it off-site for treatment is available. This should include use of a mechanized, probably vacuum-based, removal system (P&D) (O&M)
- Ensure that collected sludge is adequately treated and not directly applied to fields or otherwise improperly disposed of (O&M)

4. Recommendation

- Negative determination with conditions

II – Construction of the entrance road to the Mucbilha Caves. $15,000 (FIFTEEN THOUSAND UNITED STATES DOLLARS).

1. Type of infrastructure: 500 meters of new road.

2. Potential Damages:

- Cause erosion and changes to water quality and natural water flows via poor road construction practices and maintenance
- Increase access for mining, logging, poaching, settlement, or other development that destroys natural resources or harms local populations
- Spread human or livestock disease

3. Mitigation Measures:

This is a very short section of road that will be constructed. However, since it is a new road it was required to make a specific environmental evaluation (Dictamen Ambiental), before the construction started. The recommendations coming from this evaluation are to be carefully undertaken by the contractor and the USAID engineer supervisor will assure that they are included.

In addition, the USAID engineer supervisor will assure that the contractor follows best practices for design, construction, and operation and maintenance (Chapter 3: Rural Roads from the USAID's manual "Environmental Guidelines for Development Activities in Latin America and the Caribbean" and "Ingenieria de Caminos Rurales"), including developing quarry and borrow pit plans, following the contour line, using camber

and turnout drains, training operations and maintenance personnel, and so on (SS) (P&D) (C) (O&M). They must use a monitoring form to track implementation effectiveness of the mitigation measures. REA will inspect the compliance of these measures.

4. Recommendation
- Negative determination with conditions

III – Maintenance and rehabilitation of the 4.4 kilometers road from San Isidro to La Union, Chisec, Alta Verapaz. US$28,000 (TWENTY-EIGHT THOUSAND UNITED STATES DOLLARS).

1. Type of infrastructure: 4 kilometers in road improvement and maintenance.

2. Potential Damages: This is only the rehabilitation and improvement of an existing road. No major damages are expected from this activity. However, the following potential risks have to be considered:
- Cause erosion and changes to water quality and natural water flows via poor road construction practices and maintenance
- Increase access for mining, logging, poaching, settlement, or other development that destroys natural resources or harms local populations
- Spread human or livestock disease

3. Mitigation Measures: The close and continuous supervision from the USAID's civil engineer, will assure that there is no any kind of activity affecting the environment surrounding this road. However, the USAID engineer supervisor will assure that the contractor follows best practices for design, construction, and operation and maintenance (Chapter 3: Rural Roads from the USAID's manual "Environmental Guidelines for Development Activities in Latin America and the Caribbean" and "Ingenieria de Caminos Rurales"), including developing quarry and borrow pit plans, following the contour line, using camber and turnout drains, training operations and maintenance personnel, and so on (SS) (P&D) (C) (O&M)

4. Recommendation: Negative Determination with Conditions

IV – Improvement of the tourist site La Peña del Angel, Purulha, Baja Verapaz. US$12,109 (TWELVE THOUSAND ONE HUNDRED NINE UNITED STATES DOLLARS).

1. Type of infrastructure:
a) Three camping cabins rehabilitation
b) Five rest cabins
c) Two rest rooms for the visitors center
d) Expansion of the electric web to the visitors center

2. Potential Damages
- Damage or destroy sensitive terrestrial ecosystems in the course of site clearing or preparation
- Cause erosion, siltation, changes in natural water flow, or damage
- Harm terrestrial ecosystems via harvesting of timber or other natural products
- Contaminate water with human or animal excrement and pathogens
- Create pools of stagnant water
- Contaminate groundwater with pathogens
- Contaminate surface water with nutrients, biological oxygen demand, suspended solids, and pathogens (Septic tank effluent generally contains relatively high concentrations of these)
- Contaminate water supplies, damage water quality and transmit disease to other locations if waste is not properly handled and treated during or after servicing

3. Mitigation measures
- Design facility to create least impact

- Minimize disturbance of native flora during construction
- Remove without destroying large plants and turf. Use erosion control measures such as hay bales. Replant recovered plants and other appropriate local flora as soon as possible
- Focus on proper use and maintenance as part of behavior change and education program (P&D)
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- Do not allow animals to drink directly from water source (O&M)
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- Monitor and repair leaks from cracked containment structures, broken pipes, faulty valves, and similar structures (O&M)
- Establish a system for regulating use, such as a local warden or pricing
- Evaluate depth of water table, including seasonal fluctuations and groundwater hydrology. If water table is too high line tank with clay, plastic sheeting, or other impermeable material to prevent leakage (P&D) (C)
- Avoid directly discharging effluent to waterways. Discharging to waterways with sufficient volume and flow to assimilate waste may be acceptable, but secondary treatment is preferred—passing effluent through an anaerobic filter followed by discharge to an absorption field or, better, a constructed wetland (P&D)
- Ensure that a reliable system for safely removing sludge and transporting it off-site for treatment is available. This should include use of a mechanized, probably vacuum-based, removal system (P&D) (O&M)
- Ensure that collected sludge is adequately treated and not directly applied to fields or otherwise improperly disposed of (O&M)
- They must use a monitoring form to track implementation effectiveness of the mitigation measures. REA will inspect the compliance of these measures.

4. Recommendation
- Negative determination with conditions

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