



LAC-IEE-04-61

ENVIRONMENTAL THRESHOLD DECISION

Activity Location	: Guatemala and other Central American Countries and Dominican Republic
Activity Title	: SO 596-005 “Increase C.A. Competitiveness in Global Markets (PROALCA II)” (by CCAA) SO 020-002 “Building Public Private Alliances”
Activity Number	: 596-0184
Funding	: DA: \$400,000 & \$300,000
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 implementation of CAFTA, which is called Alliance for CAFTAction, “Produce to Prosper”, and will be executed by the Caribbean Central American Action, CCAA, organization.

Though this activity is exclusively technical assistance, meeting organizations and studies, and might have been issued a Categorical Exclusion, because it is deals with the owners of industries, analysis was done to determine if it might have any negative effect on the environment. The Mission determined that it will have negligible effects on the

environment because it involves transference of knowledge and information concerning business organization rather than industrial processes.

CTOs should be made aware that they are responsible for making sure environmental requirements are met. They should monitor if CCAA uses these resources to influence modified industrial processes. If so, additional environmental review must follow.

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

Copy to : Glenn Anders, Director, USAID/G-CAP
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Copy to : James Stein, G-CAP
Copy to : Loren Stoddard, G-CAP
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Copy to : Michael Donald, REA, Central America
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Attachment: IEE

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INITIAL ENVIRONMENTAL EXAMINATION

Activity Location	: Guatemala and other Central American Countries and Dominican Republic
Activity Title	: SO 596-005 “Increase C.A. Competitiveness in Global Markets (PROALCA II)” SO 020-002 “Building Public Private Alliances”
Activity Number	: 596-0184
Funding Source	: DA (FY04)
Funding	: DA: \$400,000 & \$300,000
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 GDA Secretariat for the Global Development Alliance for CAFTA Action, “Produce to Prosper”, to assist the implementation of CAFTA, which will be executed by the Caribbean Central American Action, CCAA, organization. It is expected that this activity be implemented during two years, September 2004 to September 2006, under the current strategy, which is covered by the said IEE.

This is a new activity that falls under PROALCA II, Intermediate Result 4: Effective Preparation of Central America for Free Trade Negotiations. USAID will obligate \$700,000 in DA funds (\$400,000 from PROALCA II and \$300,000 from the GDA Secretariat).

RECOMMENDATION FOR THRESHOLD DECISION:

Pursuant to Section 216.2(a) of A.I.D. environmental procedures, environmental review 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 SO5 “Increased C.A. Competitiveness in Global Markets (PROALCA II)” Activity Number: 596-0184. 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 implementation of CAFTA. This is called Alliance for CAFTAction, "Produce to Prosper", and will be executed by the Caribbean Central American Action, CCAA, organization. The goal is to educate a number of people about the importance of eliminating obstacles to increased trade flows to Central America. The objective is to build a broad-based consensus to implement CAFTA and to raise business, legal and social standards across the region. The strategy is to create a measurable framework that seeks out committed leaders, that has an on-the-ground program of coordinated activities and that can deliver a consistent grassroots message. All of which is built on a solid foundation of achievable "best business practices" recommendations across industries.

DESCRIPTION OF ACTIVITIES:

The following are illustrative activities to be carried out:

- **Leaders: *Coalicion Centroamericana Pro-CAFTA*:** creation of a network that brings together respected individuals from the business community and civil society from across the region to publicly commit themselves in time and resources to the implementation of CAFTA and the raising of standards across the region. Among the deliverables are: the establishment of the *Coalicion Centroamericana ProCAFTA*; 500 signatures within 180 days; communications campaign initiated with publication of the Declaration of Principles.
- **On-the-Ground: *CCAA Country Chapters*:** Bring together key (Coalicion) leaders in each country to serve as the catalyst for a coordinated program of activities with stakeholders and constituents in each country to support the implementation of CAFTA and CCAA's Transformation Agenda. Among the deliverables are: commitment of a core group of 10 leaders from the private sector and civil society; plan, organize, and host monthly in-country program of activities; active participation of at least 50 business leaders in support of chapter activities.
- **Grassroots: *CAFTA Workforce Briefings*:** Work with the AMCHAM and other private sector organizations to provide a 2-hour training session to educate workers at member companies on the benefits of CAFTA and the impact implementation will have on their job, industry, and country. Among the deliverables are: 5,000 (1000/country) workers briefed within 180 days; the development of industry specific briefing materials and information packages.

- **Foundation: CCAA “Best Practice” Studies:** Work with CABEL, INCAE, AMCHAM, and CCAA Business Teams to define the specific “best business practice” topics, undertake the studies and build the public/private sector partnership needed to adopt the “best business practice” recommendations. Among the deliverables are: establishment of an analytical model that can be readily expanded to other industries; adoption of 50% of the best business practice recommendations within one year.

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 implementation of CAFTA, which is called Alliance for CAFTAction, “Produce to Prosper”, and will be executed by the Caribbean Central American Action, CCAA, organization.

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

CLEARANCES:

Michael Donald, REA

_____ DATE _____

James Stein, TEA

_____ DATE _____

Liliana Gil, PDM

_____ DATE _____