



LAC-IEE-04-43

CATEGORICAL EXCLUSION

Location: Mexico, Brazil, Central America, the Dominican Republic, and the Andes

Title: Inter-American Development Bank, Sustainable Energy for Latin America Project, Public International Organization Letter Grant

Grant Number: LAC-G-00-03000002-01

Funding: \$140,000

FY's: 2004-2005

IEE Prepared by: John L. Garrison, LAC/RSD/E

Recommendation: Categorical Exclusion

Bureau Decision: Concur with Recommendation

Comments: A **Categorical Exclusion** is issued for the Inter-American Development Bank, Public International Organization Letter Grant (for sustainable energy lending capacity) pursuant to 22 CFR Section 216.2 (c)(2)(i) and (iii).

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

Copy to : Cecily Mango, Director, LAC/RSD

Copy to : Cheryl Jennings, LAC/RSD/E

Copy to : Susan Hill, LAC/SPO

Copy to : IEE File

Attachment: IEE

Initial Environmental Examination

Location: Mexico, Brazil, Central America, the Dominican Republic, and the Andes

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Grant Number: LAC-G-00-03000002-01

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FY's: 2004-2005

IEE Prepared by: John L. Garrison, LAC/RSD/E

Date Prepared: July 20, 2004

Recommendation: Categorical Exclusion

Background and Activity Description

This IEE is for a Public International Organization Grant to the Inter-American Development Bank's (IADB) to help fund its Sustainable Energy for Latin America Project and allow it to secure the services of an energy contractor. Under this Letter Grant, the IADB and other members of the IADB group (the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF)) will enhance sustainable energy and energy efficiency lending capacity in Latin America and the Caribbean, with a special focus on Mexico and Brazil, by:

- identifying potential IADB technical assistance and operational instruments (IADB loans, ordinary capital or concessional, MIF, PRI, IIC, etc.) that may be appropriate project implementation vehicles in these areas;
- helping the IADB, MIF, IIC and donor countries in Latin America and the Caribbean develop clean energy and energy efficiency loan and grant proposals;
- identifying potential private channels of financing that might be tapped for energy efficiency and renewable energy projects;
- working with IADB specialists, and public and private sector stakeholders, to identify the most promising general opportunities and specific projects in these areas, e.g.:
 - working with LAC Mission specialists to identify relevant projects to fit into the energy portfolio of the Mission and/or;

- defining promising new lines of financial support for developmental activities from a range of potential donors outside of IADB and USAID, including potentially the MIF, the Global Environmental Facility, the World Bank, among others, if relevant, to complement the IADB's financial instruments.

Recommended Environmental Threshold Decision

The technical assistance, training and institutional strengthening activities to be implemented under each of the above areas will not have a significant adverse impact on the environment. While the technical assistance provided under the Letter Grant will help develop IADB, MIC and/or IIC loans and grants for renewable energy and energy efficiency activities that might potentially impact the environment, each of the three institution's have their own environmental impact requirements and review process. Therefore, the Letter Grant qualifies for a categorical exclusion under 22 CFR 216.2(c)(2)(i) and (iii), respectively, "Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);" and "Analyses, studies, academic or research workshops and meetings."

Approved:

Cecily Mango, Director, LAC/RSD