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LAC-IEE-10-114

ENVIRONMENTAL THRESHOLD DECISION

Activity Location:	Brazil
Activity Title:	Sustainable Landscapes Program
Activity Number:	Climate Change (4.8.2.4)
Life-of-Activity Funding:	\$14 million
Life-of-Activity:	1 October 2010 – 30 September 2012
IEE prepared by:	Elke U. Costanti, Mission Environmental Officer
Reference ETDs:	LAC-IEE-09-91 ETD
Recommended Threshold Decision:	Categorical Exclusion Negative Determination with Conditions Deferral
Bureau Threshold Decision:	Categorical Exclusion Negative Determination with Conditions Deferral

Comments:

A **Categorical Exclusion** is issued to following Sustainable Landscapes Program components involving education, technical assistance, workshops, meetings and development planning activities:

1. Development of market readiness for REDD+ focusing on building techniques and capacities for monitoring, reporting, and verification (MRV).

- Strengthen the enabling environment to deliver CO₂ results from forest management, including through addressing forest governance, land tenure and carbon rights, and institutional capacity.
 - Support development of carbon revenue distribution systems and legal frameworks.
3. Improved national greenhouse gas emission inventories including the building of capacity for greenhouse gas accounting at project, municipal, state, and Federal levels.
- Build GOB, state and local levels institutional capacity to estimate, report and monitor greenhouse gases at the national level from land use, consistent with international standards.
 - Create or strengthen national forest inventory and monitoring systems that are linked to greenhouse gas inventories.
 - Add greenhouse gas accounting to existing forest projects.
4. Building capacity within Brazil for REDD+, scaling-up of measurements, and greenhouse gas accounting.
- Technical assistance to develop national and sub-national forest and land use strategies that seek to provide sustainable development and greenhouse gas benefits in the context of economy-wide low carbon development strategies.
 - Creation of national baselines against which forest-related emissions reductions and sequestration can be measured.

This Categorical Exclusion is issued pursuant to USAD Environmental procedures 22 CFR 216.2(c)(2):

- (i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);
- (ii) Controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored;
- (iii) Analyses, studies, academic or research workshops and meetings;
- (xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.);

A **Negative Determination with Conditions** is issued (pursuant to 22 CFR 216.3 (a) (3) (iii)) to the Sustainable Landscapes Program involving restoration of degraded areas; pilot projects related to land use strategies that affect forests; and small-scale infrastructures to support pilot projects, including the following components:

1. Development of market readiness for REDD+ focusing on building techniques and capacities for monitoring, reporting, and verification (MRV).
 - Pilot forest carbon finance by adding climate-related financing to forest activities. Pilot demonstration programs should be developed for monitoring, reporting, and verifying carbon needed for market readiness. Pilot programs will be an excellent vehicle for education and capacity building.
2. Scaling-up of measurements of the carbon and other greenhouse gas effects of forest management from the local to the national level using innovative models and technology.
 - Assist the GOB to demonstrate and implement approaches to forest mitigation (REDD-plus) that achieve impact at scale and/or are specifically designed to influence larger policy processes.
4. Building capacity within Brazil for REDD+, scaling-up of measurements, and greenhouse gas accounting.
 - Assistance to the GOB with implementation of priority actions identified in land use strategies that affect forests, for example, by addressing the most influential drivers of deforestation and forest degradation, or restoring degraded lands through enhanced tree cover.
 - Support the participation in REDD-plus strategies and activities of all relevant stakeholders, including private sector and local and indigenous communities.

Conditions to avoid or mitigate adverse environmental impacts from the above activities include:

- Use of the “Guidelines for Implementing Partners: USAID/Brazil’s Environmental Mitigation Plan and Report (EMPR)” (**Annex 1 and its Attachment 1**) to conduct a preliminary environmental analysis of all sub activities, and develop mitigation and monitoring plans for approval by the MEO and REA.
- Make sure all activities comply with the “Forest Code”, Federal law 4771/65 (as modified by provisional executive order 2166/01, (http://www.planalto.gov.br/ccivil_03/Leis/L4771.htm).
- Make sure all activities comply with the “Public Forests Law, Federal Law 11284/06, if applicable, which regulates the protection, management and use (through concessions) of publicly owned forests in Brazil (http://www.planalto.gov.br/ccivil_03/_Ato2004-2006/2006/Lei/L11284.htm).
- Each activity manager or Contracting (or Agreement) Officer Technical Representative (COTR or AOTR) and the USFS Program Coordinator for these Activities are responsible for making sure environmental conditions are met (ADS 204.3.4). In addition, COTRs/AOTRs are responsible for ensuring that appropriate environmental guidelines are followed, mitigation measures, conditions and responsibilities in the IEE are funded and implemented, and that adequate monitoring

and evaluation protocols are in place to ensure implementation of mitigation measures.

- The implementing contractor or partner will ensure that all activities conducted under this instrument comply with all relevant ETDs. Also, through its regular performance monitoring and reporting requirements, a section on environmental compliance (e.g. mitigation monitoring results) will be included, where the implementing partner will specify all actions taken, if any, and/or state that all activities were developed in accordance with applicable national laws and USAID guidelines.
- The MEO, and/or his designee, reserves the right to conduct spot monitoring checks for all of the activities listed in this IEE to ensure that the conditions listed in the IEE, ETD, and within SIGA are being followed.
- Language from “Environmental Compliance: Language for Use in Solicitations and Awards – An Additional Help for ADS Chapter 204” **must be** included in award documents (see: <http://www.usaid.gov/policy/ads/200/204sac.pdf>). It is the responsibility of the Assistance Objective (AO) Team and/or Contracts/Agreements Officer to ensure that environmental compliance language from the ETD is added to procurement and obligating documents.
- If additional activities are added that are not described in this document, an amended Initial Environmental Examination will be prepared.
- Compliance with and application of USAID Environmental Guidelines for Development Activities in Latin America and Caribbean (<http://inside.usaid.gov/LAC/RSD/E/epiq.html>); focus on these chapters of the Guidelines:
 - Chapter 2: Small-Scale Infrastructure” - section A. Construction Activities
 - Chapter 9: Forestry - for Reforestation and Agro forestry.
- Under no circumstances will funds be used for: procurement or use of pesticides, purchase of equipment which could be used for commercial timber harvesting; nor activities, projects, or programs involving commercial timber harvesting unless the appropriate environmental assessment is conducted, and approved by the LAC/BEO.

A **Deferral** is issued to all Sustainable Landscapes Program activities that are not identified as land use strategies that affect forests listed above, pursuant to 22 CFR 216.3 (a) (1) (iii). When the activities are better defined – at the time of approval of the procurement – an IEE amendment shall be submitted for these activities. The procurement mechanism(s) shall specifically mention incorporation of environmental review and compliance in the activity design.

Responsibilities

- Each activity manager or **Contracting/Agreement Officer Technical Representative (COTR/AOTR)** is responsible for making sure environmental conditions are met (ADS 204.3.4). In addition, COTR/AOTRs are responsible for ensuring that appropriate environmental guidelines are followed, mitigation measures in the IEE are funded and implemented, and that adequate monitoring and evaluation protocols are in place to ensure implementation of mitigation measures.
- It is the responsibility of the **Strategic Objective (SO) Team** to ensure that environmental compliance language from the ETD is added to procurement and obligating documents, such as activity-related Strategic Objective Grant Agreements (SOAGs) and Modified Acquisition and Assistance Request Documents (MAARDs).
- The **Mission Environmental Officer** will conduct spot checks to ensure that conditions in the IEE and this ETD are met. These evaluations will review whether guidelines are properly used to implement activities under this ETD in an environmentally sound and sustainable manner according to USAID and applicable U.S. Government policies and regulations.
- The implementing **contractor or partner** will ensure that all activities conducted under this instrument comply with this ETD. Also, through its regular reporting requirements, a section on environmental compliance (e.g. mitigation monitoring results) will be included.

Amendments

- Amendments to Initial Environmental Examinations (IEE) shall be submitted for LAC Bureau Environmental Officer (BEO) approval for any activities not specifically covered in the IEE, which include:
 - Funding level increase beyond ETD amount,
 - Time period extension beyond ETD dates (even for no cost extension), or
 - A change in the scope of work, such as the use of pesticides or activities subject to Foreign Assistance Act sections 118 and 119 (e.g. procurement of logging equipment), among others.
- Amendments to IEEs include Environmental Assessments (EA or PEA) and approval of these documents by the LAC BEO could require an annual evaluation for environmental compliance.

Victor H. Bullen Date *09-30-2010*

Victor H. Bullen
Bureau Environmental Officer
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Attachments:

- Initial Environmental Examination

File: P:\LAC.RSD.PUB\RSDPUB\EES\Reg 216\IEE\IEE10\LAC-IEE-10-114 ETD
(BR – Sustainable Landscapes Program).doc



Initial Environmental Examination (IEE)

Activity Location:	Brazil
Program Objective:	Economic Growth (4)
Program Area:	Environment (4.8)
Program Element:	Natural Resources and Biodiversity (4.8.1)
Sub-Element:	Climate Change (4.8.2.4)
Activity Title:	Sustainable Landscapes Program
Funding Source:	Development Assistance
Life of Activity Funding:	\$14,000,000
Life of Activity:	October 2010 – September 2012
IEE Prepared by:	Elke U. Costanti, Mission Environmental Officer
Reference Environmental Threshold Decision:	LAC-IEE-09-91 ETD
Recommended Threshold Decisions	Categorical Exclusion (X) Negative Determination () Negative Determination with Conditions (X) Positive Determination () Deferral (X)
Date Prepared	July 27, 2010

1. PURPOSE AND SCOPE

This IEE addresses the USAID/Brazil Sustainable Landscape Program (SLP) structured under the Economic Growth Objective (4), of the US Foreign Assistance Framework, Environment Program Area (4.8), Clean Productive Environment (4.8.2), Climate

Change Sub-Element (4.8.2.4), for the period of October 1st, 2010 through September 30, 2012.

FY 2010 funds for Sustainable Landscapes were included into the Mission's FY10 Operational Plan, approved by FWH on June 04, 2010. An additional \$5,000,000 in funds for Sustainable Landscapes is included in the Agency's FY 2011 Budget for International Climate Change Financing. Given current levels of funding, USAID/Brazil forecasts that another \$5,000,000 may be available for the same purpose in FY 2012.

This IEE assesses any potential significant environmental risks and steps the Mission will take to mitigate those risks pertaining to the Program.

2. BACKGROUND

At the December 2009 meeting of the United Nations Framework Convention on Climate Change (UNFCCC), in Copenhagen, the USG made a landmark commitment of US\$1 billion over three years (2010-2012) to assist countries to reduce emissions from deforestation and forest degradation (known as REDD "plus") and enhance sequestration of carbon associated with forests. While the Copenhagen Accord is not a legally binding document, it was a step forward in the climate change negotiations.

In FY 2010, Congress, responding to the President's request for additional climate change funding, passed the FY 2010 Appropriations bill, which makes \$1.2 billion available for programs and activities to:

1. reduce, mitigate and sequester greenhouse gases that contribute to global climate change;
2. support climate change adaptation;
3. protect forests and other critical landscapes; and
4. protect biodiversity.

Furthermore, FY 2010 congressional language indicates that priority should be given to programs that "expand activities that reduce emissions from tropical forest destruction and degradation (commonly called REDD) in order to avoid the worst effects of global climate change".

State Department's guidance to the FY 2010 Operational Plan (OP), issued on January 16, 2010, presented Global Climate Change (GCC) funding definitions and criteria according to three pillars, each one considered a "GCC Sub-key Issue":

1. Adaptation;
2. Clean Energy;
3. Sustainable Landscapes

USAID/Brazil received \$4 million to apply in FY 2010 to activities structured under the Sustainable Landscapes Sub-Key Issue, with the goal of "assisting countries to reduce

greenhouse gases emissions and enhance sequestration of carbon associated with land use and management, including forestry”.

Also according to the guidelines received from the FY 2010 OP, “USAID sustainable landscapes investments are meant to contribute to moving a country into a low emission and high carbon sequestration development pathway in the land use sector”. And sustainable landscapes programs “should be addressing one or more of the following policy priorities:

1. Creation or implementation of national or sub-national REDD-plus strategies;
2. Greenhouse gas inventories and accounting;
3. Forest carbon market readiness; and
4. Targeted field demonstrations and investments.

USAID/Brazil has been a steady and reliable environment and biodiversity development partner for the past two decades, contributing to Brazil’s search for conservation and development solutions in tune with local realities and the needs of local populations.

Also, Brazil’s humid tropical forest zones (Atlantic Forest, wooded savannah *Cerrado*, and Amazon forest biome) are known as storehouses of biological diversity. Therefore, the “Sustainable Landscapes Program” will focus primarily in the Brazilian Amazon region, but *Cerrado* and Mata Atlântica biomes may also be considered whenever possible to address the above mentioned policy priorities.

With a view to discuss the proposed USAID policy priorities on sustainable landscapes, USAID/Brazil established a dialogue with its key partners, research institutions, NGOs and governmental bodies as well. On June 22, 2010, a meeting was held at the US Embassy in Brasilia, attended by 40 representatives. The Director for Climate Change in the Brazilian Ministry of Environment, Ms. Thaís Juvenal, stated during the event that all three USAID action pillars correspond to Brazilian priorities in facing climate change. Ms. Juvenal also highlighted that actions on Reducing Emissions from Deforestation and Forest Degradation (REDD) are especially favorable for cooperation between the U.S. and Brazil, because “the concept of REDD is sufficiently mature, and represents a new forest governance standard for the world.”

The Sustainable Landscapes Program was therefore designed to align with the Government of Brazil efforts for implementing the National Policy on Climate Change (Brazilian bill N. 12187, as of December 29, 2009 – accessible at http://www.planalto.gov.br/ccivil_03/_Ato2007-2010/2009/Lei/L12187.htm).

The National Policy established a national voluntary commitment to carry out mitigation actions aimed at reducing projected greenhouse gas emissions by 36.1 to 38.9 percent by 2020. By the end of 2010, the publication of a presidential decree is expected that will enable the above mentioned law and establish reduction targets for each economic sector and specific measures to be carried out, which will be based on the second National Inventory of Brazilian Greenhouse Gases (GHG) Emissions, also to be published in 2010.

According to the official data of the first national inventory, published in 2004 (based on data collected in the period 1987-1994), deforestation and land-use change account for more than seventy-five percent of Brazil's GHG emissions. Also, deforestation in the Amazon contributes to more than sixty percent of Brazil's CO₂ emissions. Thus, in line with its National Plan, the Brazilian government aims to reduce Amazon deforestation by 72% by 2017 and consequently halve its GHG emissions.

3. PROGRAM DESCRIPTION

The USAID/Brazil Environment Program Area supports the US Foreign Assistance Objective of generating sustained economic growth by ensuring that the environment and natural resources are effectively managed. This Objective is of particular importance for Brazil, where deforestation in tropical rainforest areas remains a challenge and, due to the correspondent emissions of greenhouse gases, contributes to global climate change.

The USAID/Brazil strategy supports GOB policies to achieve significant scale in conservation of Brazil's biodiversity on public and private lands, while contributing to global climate stability through carbon stock enhancement and emission reduction on these lands.

The objective of this Sustainable Landscapes Program (SLP) is to establish partnerships that expand activities that reduce emissions from tropical forest destruction and degradation (commonly called REDD and REDD Plus), in order to support GOB efforts to avoid the worst effects of global climate change.

Activities under the SLP seek support for building institutional and governance capacity to manage forest resources in a manner that demonstrates measurable, reportable and verifiable emissions reductions.

The Program will monitor its impacts on addressing climate change using at least one USAID established indicator for Global Climate Change. Field level activities and impacts must report estimated CO₂ emissions reductions and sequestration.

The US Forest Service (USFS) has collaborated in Brazil for over fifteen years in close cooperation with the U.S. Agency for International Development (USAID). Natural resources issues of fire and environmental change and the promotion of sustainable forest management have been at the forefront of the program. USFS involvement has ranged from focused technical assistance with non-governmental organizations to developing proposals and implementing joint activities with the Government of Brazil and University institutions. Partnership efforts in demonstration and training have improved forestry practices across the Amazon, with supporting research also illustrating the economic efficiencies of sustainable forest management and contributing

to the development of remote sensing technologies for logging detection that were later adopted by the Brazilian National Institute for Space Research (INPE).

Building on this wealth of experience and partnerships with the Government of Brazil, a program of continued cooperation is being proposed to align with USAID's framework for Global Climate Change (GCC) and the Sustainable Landscapes pillar. The sustainable landscapes pillar aims to reduce greenhouse gas emissions from the land use sector, while enhancing carbon stocks in land use systems. The USFS proposes to support multiple activities, which will combine the application of technologies, research and development and capacity building with partnering organizations to support the Brazilian Government's climate change action plan.

The proposal reflects a strong foundation of partnership with USAID, both at the Brasilia Mission and Washington Office. The proposal also demonstrates the strong collaboration between the USFS and government counterparts in Brazil – primarily the Brazilian Enterprise for Research in Agriculture and Animal Husbandry (EMBRAPA), Brazilian Forest Service (SFB) and most recently, the climate change office with the Ministry of Environment (MMA).

Most importantly, through the Sustainable Landscapes Climate Support Program, USFS, USAID and Brazilian agencies will build on past discussions focusing on climate change mitigation. The program will develop experiences and opportunities, which will have mutual benefits as natural resources agencies are facing the impacts of climate change worldwide.

It is worth noting that activities under the USAID-USFS Inter-Agency Agreement are current structured under the Forest Enterprise Cluster, included in the referenced Environmental Threshold Decision (ETD) LAC-IEE-09-91 and include only components of training, education, technical assistance, studies, surveys, workshops, meetings, development of environmental monitoring and planning tools, and fall into the *Categorical Exclusion* category of environmental impacts.

3. DESCRIPTION OF ACTIVITIES

In order to achieve further emissions reductions from land use change and forestry practices in Brazil, the US Forest Service along USAID and partners in Brazil have identified a number of key areas for action. These can be organized into three thematic categories and a fourth category of capacity building that cuts across all three themes. Thematic categories and illustrative set of activities are described below:

1. Development of market readiness for REDD+ focusing on building techniques and capacities for monitoring, reporting, and verification (MRV).
 - Strengthen the enabling environment to deliver CO2 results from forest management, including through addressing forest governance, land tenure and carbon rights, and institutional capacity.

- Support development of carbon revenue distribution systems and legal frameworks.
 - Pilot forest carbon finance by adding climate-related financing to forest activities. Pilot demonstration programs should be developed for monitoring, reporting, and verifying carbon needed for market readiness. Pilot programs will be an excellent vehicle for education and capacity building.
2. Scaling-up of measurements of the carbon and other greenhouse gas effects of forest management from the local to the national level using innovative models and technology.
- Assist the GOB to demonstrate and implement approaches to forest mitigation (REDD-plus) that achieve impact at scale and/or are specifically designed to influence larger policy processes.
3. Improved national greenhouse gas emission inventories including the building of capacity for greenhouse gas accounting a project, municipal, state, and Federal levels.
- Build GOB, state and local levels institutional capacity to estimate, report and monitor greenhouse gases at the national level from land use, consistent with international standards.
 - Create or strengthen national forest inventory and monitoring systems that are linked to greenhouse gas inventories.
 - Add greenhouse gas accounting to existing forest projects.
4. Building capacity within Brazil for REDD+, scaling-up of measurements, and greenhouse gas accounting.
- Technical assistance to develop national and sub-national forest and land use strategies that seek to provide sustainable development and greenhouse gas benefits in the context of economy-wide low carbon development strategies.
 - Creation of national baselines against which forest-related emissions reductions and sequestration can be measured.
 - Assistance to the GOB with implementation of priority actions identified in land use strategies that affect forests, for example, by addressing the most influential drivers of deforestation and forest degradation, or restoring degraded lands through enhanced tree cover.
 - Support the participation in REDD-plus strategies and activities of all relevant stakeholders, including private sector and local and indigenous communities.

4. NATIONAL ENVIRONMENTAL POLICIES

The Brazilian Constitution dedicates one chapter to the environment, recognizing the people's right to a "balanced ecological environment", a common good to be preserved and maintained for the present and future generations. In addition, a number of chapters and articles are related to environmental issues. The Constitutional determinations are complemented by Federal, State, and Municipal laws, which constitute a framework for environmental compliance in Brazil.

Of particular importance is the National Policy for the Environment (Law n. 6938/81), which establishes the "National System for the Environment" and the "Environmental Impact Assessment Licensing System", composed of an Environmental Impact Assessment study and three different environmental permits.

Also relevant for this activity the "Forest Code", Federal law 4771/65 (as modified by provisional executive order 2166/01), the main piece of legislation for protection of Brazil's forests. The Forest Code establishes the general principles, leaving the states to legislate on the matter in light of local features and peculiarities, as long as the level of protection established by the Code is not reduced. The Forest Code is a very strict law, specifying that eighty percent of forested property in the Amazon must be set-aside as a 'legal reserve'. The Code establishes further protection of so-called 'areas of permanent preservation-APPs', such as riparian forests and sloping lands - that cannot be cleared under any circumstance.

Federal Law 11284/06, the "Public Forests Law", regulates the protection, management and use (through concessions) of publicly owned forests in Brazil. The so-called 'forest concessions' law also created the Brazilian Forest Service, tasked with managing the national public forests system.

Most importantly is that the Sustainable Landscapes Program was designed to align with the Government of Brazil efforts for implementing the National Policy on Climate Change (Brazilian bill N. 12187, as of December 29, 2009 – accessible at http://www.planalto.gov.br/ccivil_03/_Ato2007-2010/2009/Lei/L12187.htm).

The National Policy established a national voluntary commitment to carry out mitigation actions aimed at reducing projected greenhouse gas emissions by 36.1 to 38.9 percent by 2020. By the end of 2010, the publication of a presidential decree is expected that will enable the above mentioned law and establish reduction targets for each economic sector and specific measures to be carried out, which will be based on the second National Inventory of Brazilian Greenhouse Gases (GHG) Emissions, also to be published in 2010.

According to the official data of the first national inventory, published in 2004 (based on data collected in the period 1987-1994), deforestation and land-use change account for more than seventy-five percent of Brazil's GHG emissions. Also, deforestation in the Amazon contributes to more than sixty percent of Brazil's CO2 emissions. Thus, in line with its National Plan, the Brazilian government aims to reduce Amazon deforestation by 72% by 2017 and consequently halve its GHG emissions.

5. EVALUATION OF ENVIRONMENTAL IMPACT POTENTIAL

- A Categorical Exclusion to all components involving education, technical assistance, workshops, meetings and development planning pursuant to 22 CFR 216.2(c)(2)(i);
- A Negative Determination with Conditions to all components of the Sustainable Landscapes Program involving assistance with implementation of priority actions identified in land use strategies that affect forests, for example, by addressing the most influential drivers of deforestation and forest degradation, or restoring degraded lands through enhanced tree cover.
- A Deferral for all activities under the SLP that are not categorically excluded from additional environmental review, or are not identified as land use strategies that affect forests. When the activities are better defined, a supplemental IEE should be submitted for these activities.

New activities eventually implemented under this AAD will be subjected to Initial Environmental Evaluations (IEE) and Environmental Threshold Decisions (ETD) prior to obligation, according to ADS 201, ADS 204 and 22 CFR 216.

6. RECOMMENDATION THRESHOLD DECISIONS AND CONDITIONS

Pursuant to 22 CFR 216.2 (c) (2) (i) (ii) (iii) and (xiv) a **Categorical Exclusion** is recommended for the activities that have components of education, technical assistance, surveys, workshops, meetings and development planning:

- (i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities).
- (ii) Controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored.
- (iii) Analyses, studies, academic or research workshops and meetings.
- (iv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment.

Pursuant to 22 CFR 216.2 a **Negative Determination with Conditions** for activities that have components of:

- a) Restoration of degraded areas - if developed;
- b) Pilot projects related to land use strategies that affect forests;
- c) Small-scale infrastructures – if developed to support pilot projects.

Conditions to avoid or mitigate adverse environmental impacts from the above activities:

- Use of the “Guidelines for Implementing Partners: **USAID/Brazil’s Environmental Mitigation Plan and Report (EMPR)**” (**Annex 1 and its Attachment 1**) to conduct a preliminary environmental analysis of all sub activities.
- Make sure all activities comply with the “Forest Code”, Federal law 4771/65 (as modified by provisional executive order 2166/01, (http://www.planalto.gov.br/ccivil_03/Leis/L4771.htm).
- Make sure all activities comply with the “Public Forests Law, Federal Law 11284/06, if applicable, which regulates the protection, management and use (through concessions) of publicly owned forests in Brazil (http://www.planalto.gov.br/ccivil_03/_Ato2004-2006/2006/Lei/L11284.htm).
- Each activity manager or Contracting (or Agreement) Officer Technical Representative (COTR or AOTR) and the USFS Program Coordinator for these Activities are responsible for making sure environmental conditions are met (ADS 204.3.4). In addition, COTRs/AOTRs are responsible for ensuring that appropriate environmental guidelines are followed, mitigation measures, conditions and responsibilities in the IEE are funded and implemented, and that adequate monitoring and evaluation protocols are in place to ensure implementation of mitigation measures.
- The implementing contractor or partner will ensure that all activities conducted under this instrument comply with all relevant ETDs. Also, through its regular performance monitoring and reporting requirements, a section on environmental compliance (e.g. mitigation monitoring results) will be included, where the implementing partner will specify all actions taken, if any, and/or state that all activities were developed in accordance with applicable national laws and USAID guidelines.
- The MEO, and/or his designee, reserves the right to conduct spot monitoring checks for all of the activities listed in this IEE to ensure that the conditions listed in the IEE, ETD, and within SIGA are being followed.
- Language from “Environmental Compliance: Language for Use in Solicitations and Awards – An Additional Help for ADS Chapter 204” **must be** included in award documents (see: <http://www.usaid.gov/policy/ads/200/204sac.pdf>). It is the responsibility of the Assistance Objective (AO) Team and/or Contracts/Agreements Officer to ensure that environmental compliance language from the ETD is added to procurement and obligating documents.
- If additional activities are added that are not described in this document, an amended Initial Environmental Examination will be prepared.
- Compliance with and application of USAID Environmental Guidelines for Development Activities in Latin America and Caribbean (<http://inside.usaid.gov/LAC/RSD/E/epiq.html>); focus on these chapters of the Guidelines:
 - Chapter 2: Small-Scale Infrastructure” - section A. Construction Activities
 - Chapter 9: Forestry - for Reforestation and Agro forestry.
- Under no circumstances will funds be used for: procurement or use of pesticides, purchase of equipment which could be used for commercial timber harvesting; nor activities, projects, or programs involving commercial timber harvesting, unless the

appropriate environmental assessment is conducted, and approved by the LAC/BEO.

7. MONITORING AND EVALUATION

USAID/Brazil will monitor activities by reviewing implementation reports and conducting site visits to make sure that they comply with the guidelines, rules, regulations, policies and environmental conditions outlined in sections 4 and 6.

Implementing partners will report on environmental compliance of these measures as part of annual progress reporting, and the Environment Program Team will monitor the partner's compliance randomly as part of regular project monitoring. The Environment Program Team and the USFS Brazil Program Coordinator are responsible for confirming that environmental conditions are met.

Concurrence: Chad T Foley Date: 9/29/2010
Denny Robertson
USAID/Brazil

Mission Clearance:

Elke U. Costanti, Mission Environmental Officer. Elke U. Costanti Sept 27, 2010

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Jason Girard, REA.: Jason Girard 09/29/2010