



LAC-IEE-04-16

CATEGORICAL EXCLUSION

Project Location: Guyana

Project Title: Environment for Sustained Growth of Value-Added Exports Strengthened

Project Number: 504-007

Funding: US\$ 10 million

Life of SO: 2004-2008

IEE Prepared by: Jeffrey Miller, REA (Caribbean)
Chloe Noble, USAID/Guyana

Recommended Threshold Decision : Categorical Exclusion

Bureau Threshold Decision: Concur with Recommendation

Comments:

Pursuant to 22 CFR 216.2(c)(2)(i),(iii), (v) and (xiv), a **Categorical Exclusion** is issued for activities involving the provision of technical assistance, policy dialogue, education, workshops and others as identified in the IEE as these will not have an impact on the environment.

Since this is a four year SO and the overall success of the Guyana Mission's efforts to develop and exploit external niche markets is unknown at this time, the REO encourages the Economic Growth Program to monitor and evaluate the influence of "supply side" policy development as it relates to the potential to exploit both biological and physical resources in-country. The REA encourages the Mission during program implementation to seek opportunities to educate both the public and private sector partners on and raise awareness of potential environmental impacts of their activities.

Date

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

Copy to : Mike Sarhan, Director, USAID/Guyana
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Copy to : Dhanmattie Sohail, MEO, USAID/Guyana
Copy to : Winston Harlequin, USAID/Guyana
Copy to : Jeffrey Miller, REA
Copy to : Sukhi Dosanjh, LAC/CAR
Copy to : IEE File

Attachment: IEE

INITIAL ENVIRONMENTAL EXAMINATION
Project Number 504-007

Project Location: Guyana

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Life of SO: 2004-2008

IEE Prepared by: Jeffrey Miller, REA (Caribbean)
Chloe Noble, USAID/Guyana

Clearance: Jeffrey Miller, REA (Caribbean)

Recommended Categorical Exclusion

Threshold Decision:

CONCURRENCE

Winston Harlequin
Program Management Specialist- Economic Growth
USAID/Guyana

MISSION DIRECTOR'S
DECISION

Approved: _____
Mike Sarhan

Date: _____

LAC BUREAU
ENVIRONMENTAL
OFFICER'S DECISION

Approved: _____
George Thompson

Date: _____

Background

Guyana's overriding development objective, as outlined in both the Poverty Reduction Strategy Paper and the National Development Strategy, is to increase incomes across social levels and reduce the level and incidence of poverty. Increasing jobs and earnings will require stimulating business activity and productivity. However, with a population of only 750,000, Guyana's domestic market is too small to provide a viable base for long-term growth. Therefore, the chief strategy available for creating sustainable growth lies in the development of value-added, non-traditional exports. Successful expansion of exports will require strengthening the domestic environment for exports, with particular emphasis on improving policies and stimulating greater entrepreneurialism in Guyana. In addition, Guyanese exports will need to be competitive in terms of quality, service, special characteristics, and price. Export growth will need to take place over the long-term and be sustainable in order to increase revenues and reduce poverty.

Program Description

USAID's new Economic Growth (EG) program (SO# 504-007) will focus on export promotion. Key functional areas of assistance include: Providing support to public sector regulatory reforms and public-private dialogue to ensure that regulations and policies formulated are consistent with international trade obligations and trade-related best practices and supportive of Foreign Direct Investment (FDI), and developing the private sector's capacity, competitiveness and ability to exploit high-value external niche markets.

Additionally, the Guyana Mission will focus on developing the "supply" side of private sector competitiveness to facilitate its participation in high-value-export niche markets. Training and technical assistance will be focused on ensuring that the Guyanese private sector is successful in gearing up the country's comparative advantages, and building competitive advantage to market value-added products and services to high-value niche markets on a sustainable basis.

Program Implementation

This SO is managed within the Mission by a FSNPSC, who will be coordinating and supervising the work of implementing partners. The Program will be implemented primarily through a performance-based institutional contract, but possibilities of allocating sums for Mission buy-ins from USAID's centrally-funded projects will be explored.

Description of Environmental Impact

Under most circumstances the components of this program are basically training, counseling, and technical assistance, thus having no negative impact on the physical environment or posing any significant risk on the welfare of the surrounding communities as well as non-target organisms.

Recommendations for Threshold Decision

Pursuant to 22 CFR 216.2(c)(2)(i),(iii), (v) and (xiv), a **Categorical Exclusion** is recommended to activities involving the provision of technical assistance, policy dialogue, education,

workshops and others as identified in the IEE as these will not have an impact on the environment.

Since this is a four year SO and the overall success of the Guyana Mission's efforts to develop and exploit external niche markets is unknown at this time, the REO encourages the Economic Growth Program to monitor and evaluate the influence of "supply side" policy development as it relates to the potential to exploit both biological and physical resources in-country. The REA encourages the Mission during program implementation to seek opportunities to educate both the public and private sector partners on and raise awareness of potential environmental impacts of their activities.