

STANDARD FORM (SECTION 632(b) OF THE FAA)  
INTER-AGENCY AGREEMENT BETWEEN  
THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
AND  
THE ENVIRONMENTAL PROTECTION AGENCY

SUBJECT: Reimbursement to the Environmental Protection Agency (hereinafter referred to as the "Recipient Agency") for the Implementation of Improved Public Sector Environmental Services Project (hereinafter referred to as the "Project") in Eastern Europe (hereinafter referred to as the "Cooperating Country(ies)").

Project Title: Improved Public Sector Environmental Services Project

Project Number: 180-0039

I. PURPOSE

The purpose of this Inter-Agency Agreement (IAA) between the Recipient Agency and the Agency for International Development (A.I.D.) is to define the procedures under which A.I.D. shall reimburse funds to the Recipient Agency pursuant to this Agreement for the purpose of implementing the Project in the Cooperating Country(ies).

II. AUTHORITY AND USES OF FUNDS

Pursuant to Section (a)(1) under the heading "Assistance for Eastern Europe" of Title II of the Foreign Operations, Export Financing, and Related Appropriations Act, 1991, made applicable by PL 102-145, as amended by PL 102-266 (the "Continuing Resolution"); and Section 632(b) of the Foreign Assistance Act of 1961, as amended, A.I.D. shall reimburse \$4,960,735 to the Recipient Agency for implementing the Project as authorized. It is understood that these funds will be used in a manner consistent with the purposes of the Project and in accordance with the laws and regulations governing the Project. The Project consists of assisting Eastern Europe and the Baltic States to improve environmental quality and strengthen the capacity of these governments to provide public sector environmental services, and is further described in Annex A, attached hereto.

III. TERMS AND CONDITIONS

This Agreement is made under the following terms and conditions.

FISCAL TERMS:

1. Execution of this Agreement will constitute an obligation by A.I.D. of FY 1992 funding for this Project.

2. The Financial Plan, Annex B, provides an illustrative budget for the implementation of the Project described in this IAA. The Recipient Agency may adjust individual line items of the budget, provided that such adjustments do not exceed fifteen (15%) percent of the line item amounts shown in Annex B and in 4. (a) below, or subsequent adjustments thereto; and provided that the Recipient Agency formally notifies A.I.D. in writing that such adjustments have been made. Adjustments to the budget that exceed 15% for any one line item shall require formal, written, prior approval of A.I.D.

3. (a) The Recipient Agency will bill A.I.D. through OPAC procedures or by submitting a Standard Form 1081 (SF-1081) to: Agency for International Development, FA/FM/CARD, Inter-Agency Billing Unit, SA-2, Room 603, Washington, D.C. 20523-0208.

(b) The amount billed will be determined by the Recipient Agency, and will be billed for an expenditure transfer into an account administered by the Recipient Agency and for which the Recipient Agency provides fiscal reports to OMB and/or the Department of Treasury. This amount will be treated as an advance by A.I.D. and will be expended based on the quarterly reports, described below, detailing the implementation of the Project.

(c) Notwithstanding the above, the Recipient Agency shall be advanced or reimbursed for costs an amount up to, but not to exceed, \$1,500,000 under this IAA until such time as A.I.D. shall have approved the detailed cost basis for the Recipient Agency's budget (Annex B).

4. (a) The Recipient Agency shall provide a quarterly report showing the amount of the original advance as well as current quarter and cumulative expenditures in the following format (this information shall be provided in summary for the Project, and separately to show the allocation to each Cooperating Country, if appropriate):

<u>Cumulative Commitment</u>	<u>Current Qtr Expenditure</u>	<u>Cumulative Expenditure</u>
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- a. Institutional Development
- b. Regional Projects
- c. Management
- d. Baltics Projects

(b) The report will be used to liquidate the advance authorized hereby. An original and three (3) copies of the report shall be submitted to Agency for International Development, FA/FM/CARD, Inter-Agency Billing Unit, SA-2, Room 603, Washington, D.C. 20523-0208. The report must be signed in

the original by an authorized official of the Recipient Agency's billing office.

(c) The quarterly report shall also include a narrative description of the progress of Program activities, including separate sections that describe country-specific activities, as appropriate. And two additional copy of the quarterly report shall be submitted to Central Files, Communications and Records, Regional Mission for Europe, Bureau for Europe, U.S. Agency for International Development, Washington, D.C. 20523.

5. Funds not disbursed by the Recipient Agency upon completion of the Program, or disbursed for purposes or activities not authorized by this IAA, shall be promptly refunded to A.I.D.

6. It is understood that the completion date for this program shall be May 15, 1996, unless the Program is completed at an earlier date. "Completion date" for this purpose refers to the last day for performance of services, and the last day for the delivery of commodities, in the Cooperating Country(ies). If the completion date for any activities under this Project shall be exceeded, the Recipient Agency shall obtain prior, written concurrence from A.I.D. before an agreement for any such activity is entered into.

7. The Recipient Agency shall ensure that all statutory and regulatory restrictions on expenditures of the funds transferred hereby are fully complied with.

PROCUREMENT:

8. (a) The Recipient Agency agrees to use the funds transferred hereby to cover the administration and related costs of the Program, and the award of grants and contracts. The funds will be administered by the Recipient Agency including procurement actions, monitoring, and follow-up in accordance with the Recipient Agency's procedures, unless otherwise agreed to by A.I.D.

(b) Further, The Recipient Agency shall procure or obtain goods of U.S. source and origin and, in the case of services, of U.S. nationality. The Recipient Agency may procure goods and services from non-U.S. sources upon prior consultation with and written approval by A.I.D.

RECORDS AND REPORTS:

9. The Recipient Agency shall keep full and complete records and accounts with respect to the funds transferred hereby in accordance with generally accepted U.S. Government accounting

principles. Further, the Recipient Agency shall require that all contractors or grantees financed with funds provided hereunder maintain books and records related to this Project in accordance with generally accepted accounting principles as formally prescribed by the United States, the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants). Further, the Recipient Agency shall ensure that all such books and records of all contractors and grantees financed with funds allocated hereby may be audited by the Recipient Agency, A.I.D., or other authorized U.S. Government official for a period of three (3) years from the expiration of the contract or grant.

10. The Recipient Agency hereby agrees to provide A.I.D. with copies of all evaluation or other reports generated by federal or outside sources, and such other information as A.I.D. may, from time to time, request concerning the progress, impact or success of the Project.

AUDIT AND INSPECTION RIGHTS:

11. Audit and inspection requirements as set forth in the Inspector General Act of 1978, as amended, (the "Act") shall apply with respect to the funds transferred hereby, and to the books and records of any contractor or grantee financed with such funds. The Office of the Inspector General for A.I.D. shall ensure full compliance with all applicable provisions of the Act in coordination with the Office of the Inspector General for the Recipient Agency, or other appropriate office, who shall provide all appropriate assistance or other support.

12. (a) The Recipient Agency shall ensure that grants with non-U.S., nongovernmental organizations include an audit clause which requires that if a grantee receives \$25,000 per year or more under such a grant, the grantee agrees that it shall have an independent financial audit made of the funds provided under such a grant. The financial audit of the funds disbursed to the grantee shall determine whether the receipt and expenditure of the funds provided under the grant are in accordance with generally accepted accounting principles and whether the grantee has complied with the terms of the agreement. An audit shall be conducted for each fiscal year of the grantee. The audits shall usually be performed annually but not less frequently than every two years. The audits shall be performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

(b) The Recipient Agency shall ensure that contracts with foreign contractors include the appropriate audit and examination of records clauses as specified in the Federal Acquisition Regulations.

(c) The Recipient Agency shall ensure, by appropriate written arrangement(s) with aid recipients, that such A.I.D.-financed assistance shall be subject to audit and inspection by authorized U.S.G. officials.

OTHER AGREEMENTS:

13. The Recipient Agency, with the assistance of the A.I.D. Representative and, if necessary, the United States Embassy in the cooperating country(ies), shall seek to obtain for its personnel, contractors, and grantees as well as for any commodities financed hereunder, exemptions from taxes, duties and fees which may be imposed by the cooperating country(ies) with respect to the assistance Project financed by this IAA.

14. The Recipient Agency shall ensure, with the assistance of the A.I.D. Representative and, if necessary, the U.S. Embassy in the cooperating country(ies), in written arrangements which the Recipient Agency and/or grantees or contractors financed by the funds allocated hereby shall enter into with recipients of A.I.D.-financed assistance that: (1) such assistance shall only be used for the purposes stated therein and, (2) that if such assistance is no longer needed for such purposes, that such assistance may be used for other purposes as may be mutually agreed upon by the Recipient Agency in consultation with A.I.D.

15. The Recipient Agency shall, in cooperation with A.I.D., participate in the evaluation of the Improved Public Sector Environmental Services Project activities funded under this IAA to ensure that these activities are consistent with overall Project policy, strategy, and management.

AUTHORIZED REPRESENTATIVES:

16. Authorized representatives for this IAA are the signatories to this agreement, or the person acting in or holding their position, and others, whom each of the parties may designate and notify to the other party in writing. Representatives other than the person acting in or holding the position of the original signatory may execute all actions with respect to this agreement, except for formal amendments hereto.

AMENDMENTS AND MODIFICATIONS:

17. Implementation Letters may be used to record mutually agreed upon adjustments to the Project Description (Annex A) or to the Financial Plan (Annex B) without formal amendment to this IAA. Similarly, A.I.D. may provide guidance and interpretation of elements of this IAA or its attachments through Implementation Letters. Implementation Letters shall not be used, however, to modify the text of this IAA, which shall only be done through formal amendment hereto.

18. This IAA may be amended, modified or canceled upon the mutual, written consent of both parties.

Frank Almaguer  
Frank Almaguer  
Mission Director  
Regional Mission for Europe  
Agency for International  
Development

Timothy Atkeson  
Timothy Atkeson  
Assistant Administrator  
Office of International Affairs  
Environmental Protection Agency

SEP 30 1992

Dated: 9-23-92

Dated: \_\_\_\_\_

Carlene Foushee  
for W. Scott McMoran, Chief  
Grants Information & Analysis Branch  
Environmental Protection Agency

Dated: 9/30/92

Obligation Number: 180-0039-G-00-2436-00  
Funding: \$4,960,735  
Appropriation Symbol: 72-11X1010  
Budget Plan Code: QAIX-92-32180-KG-12 (184-62-180-00-69-21)  
Funds Control Number: 262-2436

FA/EM/A/NPA & PA  
OFFICE OF FINANCIAL MANAGEMENT  
ACTION: Reserve  
DATE: 9/23/92 INITIALED JA

FA/EM/A/NPA & PA  
OFFICE OF FINANCIAL MANAGEMENT  
ACTION: Obligated  
DATE: 10/8/92 INITIALED W  
9/30/92

**INTER-AGENCY AGREEMENT [632(b)]  
THE ENVIRONMENTAL PROTECTION AGENCY  
Improved Public Sector Environmental Services Project  
180-0039**

Obligation Number: 180-0039-G-00-2436-00  
Funding: \$4,960,735  
Appropriation Symbol: 72-11X1010  
Budget Plan Code: QAIX-92-32180-KG-12 (184-62-180-00-69-21)  
Funds Control Number: 262-2436

Drafter: RME/PD:JLombardo bus date 9/2/92

Clearances: EUR/RME/FM:DLarson(draft) lyng date 9/22/92  
EUR/RME/FM:DLarson(final) lyng date 9/23/92  
EUR/DR/ENR:APanehal (DRAFT) date 9/9/92  
EUR/DR:RAnthony (DRAFT) date 9/9/92  
D/EEA:PMulrean (DRAFT) date 9/2/92  
EUR/RME/ECA/PROG:MCrawford (DRAFT) date 9/10/92  
EUR/RME/ECA:POrr (DRAFT) date 9/11/92  
EUR/RME/DD:RNachtrieb lyng date 9/23/92  
GC/EUR:HMorris (DRAFT) date 9/2/92  
EUR/RME/PD:JMorgan (DRAFT) date 9/2/92

FA/FM/A/OPA & PA  
OFFICE OF FINANCIAL MANAGEMENT  
ACTION: Reserve  
DATE: 9/23/92 INITIALED RA

FA/FM/A/OPA & PA  
OFFICE OF FINANCIAL MANAGEMENT  
ACTION: Obligated  
DATE: 10/8/92 INITIALED ew  
9/30/92

## ANNEX A

### WORK PLAN INTERAGENCY AGREEMENT IMPROVED PUBLIC SECTOR ENVIRONMENTAL SERVICES ACTIVITIES IN EASTERN EUROPE

#### I. PURPOSE/INTRODUCTION

The purpose of this Interagency Agreement between U.S. EPA and A.I.D. is to improve environmental quality in Eastern Europe and the Baltic States, and strengthen the capacity of these governments to provide public sector environmental services.

#### II. PROJECT DESCRIPTION

This Agreement continues to develop the basic principles established through programs generated by the InterAgency Agreement for FY 91 funding. These principles include: institutional development, regional projects, demonstration projects, and management and evaluation activities.

The activities covered by this agreement are set out below:

##### A. INSTITUTIONAL DEVELOPMENT

This component will continue long term efforts to build and strengthen public and non-governmental institutions and enhance each country's indigenous capacity to address local as well as transboundary and common environmental problems. By providing information and tools for assessment, mitigation and prevention, this component will encourage these emerging democracies to develop sound environmental policies.

This component will be comprised of activities that represent the building blocks for improved environmental management. The following are the institutional development activities to be funded with FY 1992 funds.

##### 1. Technical Assistance

The goal of this program area is to ensure that each of the Central-East European countries can manage environmental issues in a manner consistent with modern European and American practice. There are seven "basic building blocks" for modern environmental management:

- policy analysis
- economic analysis
- risk analysis
- environmental impact
- enforcement and permitting practices

- site assessment practices
- financing techniques

We expect that each country will have the capacity to manage their environments using these seven techniques within the next four years. This work is proceeding in two stages.

a. **Basic Training.** The first step is to create in each country a critical mass of technical and decision making people who understand the purpose and basic workings of each "building block" area. For instance, while the objective of enforcement training is, ultimately, to ensure the existence of a practical, law-based compliance system in each environmental ministry, the development of that system begins with training of a reasonably diverse range of officials whose support is necessary for the creation of the system, such as:

- environment ministry officials
- non-government organization representatives
- officials from other sector ministries
- regional and local inspectorate officials, etc.

Training modules are in place, or soon will be, in each of these seven areas. (See Attachment A, description of the training modules and the proposed schedule.) Training has been designed to emphasize a) cost, including minimal cost, of replication; b) assumption of training responsibility by the host country; and c) flexibility to allow the host country to shape training specifics to local circumstance.

b. **Tailored Technical Assistance.** EPA devised follow-up assistance on the basis of a) action plans developed as the last component of each training program; b) "country teams", consisting of all EPA personnel working in a particular country, which make recommendations for next steps, and c) staff recommendations. A country-specific technical assistance plan must promise achievement of the overall capacity-building objective, and typically involves such elements as the pairing ("twinning") of EPA regions with particular C/EE country needs, longer-term U.S. based training, "political" negotiations with in-country.

The "twinning" program has two components. First, two cooperative agreements have recently been signed, one with the American Water Works Association (AWWA) and the other with the Water Environment Federation (WEF, formerly the Water Pollution Control Federation). Both organizations provide pro bono experts, AWWA in drinking water and WEF on wastewater. Provision of technical assistance through these programs is based on requests from counterparts. To date, assistance has been

provided to Poland. Approximately \$250,889 from the FY 92 budget will be devoted to this component.

The second component of twinning is the pairing of EPA regional offices and U.S. State and local governments with counterpart CEE Ministries of Environment (MOE). This aspect of "twinning" was introduced in FY 91 to provide MOE counterparts with practical advice from EPA's field offices on how to reorganize and restructure the central and regional offices of the ministries of environment to increase efficiency, to evaluate ministry personnel needs, to improve communication between central and regional offices, and to develop internal operating procedures. Most importantly, the twinning has fostered a continuous flow of information and advice on a variety of issues. EPA regional offices are linked to Poland, Bulgaria, the Baltics, and Allegheny County with Katowice. Pairing of the EPA regional office in Denver with the CSFR is in a nascent (coming or having recently come into existence) stage of development. It is worthwhile to note that in at least two cases, the Baltics and Poland, the EPA Regional Directors are fluent in the host country language. \$750,000 has been committed in FY 91 budget to support this on-going activity.

## 2. Environmental Management Training Centers

EPA will establish and maintain Environmental Management Training Centers in Poland and Bulgaria to facilitate delivery of training modules, and to coordinate and deliver other courses sponsored by other entities, such as other government agencies, universities, and the Ministries themselves. If either the Polish or Bulgarian EMTC is not implemented on schedule, then a Hungarian EMTC will be developed instead. The Hungary EMTC is now scheduled to be initiated in FY 93. EPA will meet with US A.I.D. to discuss the issue of long term sustainability of EMTCs.

## 3. Environmental Education

EPA will assist the government of Hungary in developing a three-year environmental education curriculum geared to grades K-12. The project's objective is to develop institutional capacity in Hungary to promote and improve environmental education beyond the program period, and to demonstrate a community-based process for developing an environmental education curriculum that can be easily replicated. Teachers' colleges will also be encouraged to incorporate environmental education methods into their curriculum. At the project's conclusion, the colleges will have the capacity to continue training, and to support the network of environmental educators.

## 4. Legal Assistance

Funds have been set aside to provide short term legal assistance to Poland and Hungary in two specific areas: privatization and public access to information. In Poland in particular, the environmental issues of liability and standards are increasingly interfering with privatization and foreign investment efforts. Poland and Hungary are both interested in assistance in setting up public dockets. Experienced staff from EPA Office of General Counsel will continue to provide assistance as requested.

## 5. Agricultural Project

The object of this program is to introduce and disseminate low cost technologies and management methods for farms, farm households, rural villages and watersheds that can improve and protect water quality and contribute to the growth and development of agriculture and the quality of life for rural populations in Poland. The project is funded by a cooperative agreement between Region VII of the U.S. Environmental Protection Agency and the Center for Agricultural and Rural Development (CARD) at Iowa State University. The cooperating institutions in Poland are the Ministry of Agriculture and the Ministry of Environment and Food Economy through an agreement with the U.S. Environmental Protection Agency. The operating institutions in Poland are the Institute for Land Reclamation and Grassland Farming (ILRGLF) of the Ministry of Agriculture and the voivodships in two pilot areas.

### Funding and Duration

Funding will be matched on the Poland side by a grant of \$100,000 to the Ministry of Agriculture and the ILRGLF and by cost sharing by two pilot voivodships for the demonstrations of approximately \$10,000 each. CARD will collaborate with the Ministry of Agriculture and the ILRGLF as a part of the cooperative agreement. The two pilot voivodships are for Szczecin in Northwest Poland and Ostroleka/Lomza in Northeast Poland. Agriculture in Szczecin involves cooperative and state farms and larger private farms, 30 to 50 hectares, and employs technologies more typical of Western Europe. Agriculture in the Ostroleka/Loma area is of the small farm type, 3-15 hectares, and employs more traditional production technologies.

### First Year Activities

In the Ostroleka/Lomza area the project will focus on three small watersheds, ranging from 20 to 75 farms. In two of the watersheds, there are small villages. Demonstrations will be conducted on three farms per watershed and at a local agricultural experimental farm. Technologies demonstrated will involve septic tanks, wells for farm household drinking water, household solid waste, manure management, soil testing and

fertilization, and improved forage and tillage practices. Hydrological, agricultural and socio-economic data will be collected for the watersheds. Cooperating in the demonstration projects and in disseminating the technologies and management methods will be the local union, the local ODR (extension service), a technical high school and a local agricultural college. Special emphasis is being given to the involvement and participation of the local government and non-government organizations.

In Szczecin, the focus of the project in the initial year will be on a lake and associated watershed. This lake is used for water supply by the city of Szczecin, and has shown evidence of increasing nutrient levels. It is believed that these increases in nutrient levels and perhaps pesticides are due to agricultural production methods, technologies and management methods. Also, the survey will develop additional information on the operation of the private and state farm households, along the information on where and how the managers learn of new technologies and management methods for agriculture. Results of the survey will be used to estimate the impacts of agriculture practices on the water quality in the lake, and to identify changes in these practices and management methods that will contribute to improved water quality. The idea will be to develop current information describing the tradeoffs between farm income and agricultural practices and water quality. Local authorities from the city of Szczecin and the voivodship as well as non-governmental groups and educational institutions will be directly involved in the survey, the analysis of the survey data and in the development of training packages to address the water quality problem in the watershed.

#### Second and Third Years

The demonstration and dissemination activities will be expanded. More sophisticated agricultural technologies and management methods will be introduced. Extra farm and village related approaches for water quality improvement will be developed for the watersheds. And, dissemination methods will be evaluated within the local areas and for transferability to other farming areas in Poland. In the case of dissemination both the techniques and the roles of local and regional governmental and non-governmental organizations will receive special attention.

#### B. REGIONAL PROJECTS

EPA will continue initiatives begun under the original IAA, as follows:

1. **Continuation of Northern Bohemia/Upper Silesia Air Quality Study:** FY 92 efforts on this project will focus on

activities in Poland. While FY 91 efforts included some limited activities in Poland, the majority of the work focused on the CSFR. Specific activities in Poland will include: air toxics monitoring, dispersion and receptor modelling, and risk assessment. Since this is a regional project, it is important for similar programs to be implemented in a quality fashion in both geographical areas. EPA will also provide training in lab equipment operation, and Quality Assurance/Quality Control procedures. Consistent data from both areas to evaluate will facilitate the assessment of transboundary movement and effects of air pollution.

**2. Continuation of Ostrava/Katowice IEMP:** FY 91 activities under this project contained activities in the CSFR and in Poland, but primarily in the CSFR. The work in Poland has not accelerated to the same level as that in the CSFR. Acceleration efforts in Poland will include the gathering of required technical data for further analysis and comparison. For FY 92 in the CSFR, EPA is moving toward additional monitoring to fill in data gaps identified in screening assessments. EPA will also identify near term risk reduction activities that the CSFR can begin implementing.

**3. Regional Environment Center Subcenters:** Working with the EPA, the REC will establish four outreach offices of the REC in Bulgaria, CSFR, Poland and Romania. The Outreach Offices will increase the exposure of the environmental community to the resources and projects of the REC, assist in the development of management skills and grant preparation, and make REC data resources more readily available to the RECs clients. The activity was funded with FY '91 funds.

### C. MANAGEMENT AND EVALUATION

The management and evaluation of the environmental programs in Central and Eastern Europe will have three basic components: oversight travel, program evaluation, and the follow up to the Environment Ministers Meeting on cooperation in Central and Eastern Europe, which was held in Dobris.

The oversight travel will be used to assure that all commitments made by EPA are met, all agreements are adhered to, and all programs run smoothly and effectively. The travel will include participation in conferences, meetings, and presentations involving problems that have great sensitivity of national and international consequence and importance.

Contact will be established and maintained with foreign ministers and environmental counterparts, high-level officials of other government agencies, and the United Nations to represent and negotiate EPA and U.S. positions and policies on issues of mutual interest and concern. Emerging issues will be identified

and major research and analytical efforts for the solution of important international environmental questions will be coordinated.

Program evaluation will involve the use of outside consultants to evaluate the EPA environmental initiatives in Eastern Europe, and to the extent possible, the impact on environmental issues in Central and Eastern Europe.

The evaluations will be built around the following "impact indicators":

- can it be shown that key technical and management offices in the environment ministries in C/EE countries now possess management capability in the selected technical assistance areas of a proximate quality to that of Western Europe? Has the ministry produced regulation, law or guidance which reflects this increased capability?
- will a survey of local officials, both those involved in the project and those not directly involved, show that the regional projects have
  - agreed on the correct risk reduction priorities
  - developed a practical plan for mitigating those risks
  - developed and begun to implement a plan for financing mitigation efforts
- does project demonstrate quantitatively and qualitatively that environmental risk (particularly with regard to water quality) has been reduced?

#### D. BALTICS

The proposed program for the three Baltics countries consists of three parts:

1. Establishment of an environmental monitoring and assessment program. This set of projects will include purchase of and training for use of selected laboratory equipment, technical assistance in development of an environmental information system, and assessment of a "hot spot" groundwater problem.
2. Training and technical assistance in the development of environment ministry capacity to establish standards. Baltics ministries wish to move as quickly as possible to establish standards roughly equivalent to those in Western Europe. They have requested assistance from us in assuring

their ability to undertake risk assessment, economic analysis, and the creation of a practical regulatory compliance/enforcement system.

3. Technical assistance in addressing drinking water quality problems in Riga and a number of small communities throughout the region. This assistance will be implemented at no personnel cost by a wide range of experts from EPA headquarters and, particularly, EPA's Region V.

### III. IMPLEMENTATION PLAN

1) Overall program management, communication, and reporting requirements as identified in the original IAA will be the responsibility of Lee Pasarew, Senior Advisor EESUTA/OIA/EPA. Specific country and regional program management, communication, and reporting responsibilities are listed below:

#### OIA Staff

Dan Thompson  
Joanne McKernan  
Anna Phillips  
Bill Freeman

#### Country Responsibilities

Poland  
Hungary  
CSFR, Bulgaria, Romania  
Baltics

The point of contact for progress reporting responsibilities is Joanne McKernan. The point of contact for financial reports and administrative aspects of this Amendment is Stephen Kovash.

2) The Project Schedule continues to be 60 months from the effective date of the original IAA. As now projected, individual project workplans will result in the commitment of 30% to 40% of FY 92 FAA funds no later than 180 days from the actual availability of funds, and the remainder of the funds by the end of FY 93.

3) Annex B is the proposed budget for the FY 92 funded activities.

## ATTACHMENT A

### ENVIRONMENTAL MANAGEMENT TRAINING MODULES FOR INSTITUTIONAL DEVELOPMENT AND TECHNICAL ASSISTANCE

The primary goal of EPA's international technical assistance program is to improve environmental conditions and to strengthen the capacity of governments and other institutions to manage environmental protection. This program was initiated as part of the overall U.S. environmental assistance program for Central and Eastern Europe. It is currently being adapted for application in other countries.

In general, EPA's technical assistance program focuses on three kinds of activities:

- environmental management training modules that provide the basic "building blocks" for modern environmental management to strengthen policy-making and management capacity;
- exchange of expertise, equipment, and technologies to facilitate pollution prevention and cleanup for select areas; and
- demonstration projects that employ low-cost, innovative and transferrable technologies.

This paper will concentrate on the first point, i.e., environmental management "building blocks" that have been identified by EPA for development and testing as training modules. Specifically, it will discuss the training techniques to be employed, the substance (and status) of each module, and their possible applicability to other countries.

#### TRAINING TECHNIQUES:

The training modules are designed to be "user-friendly" and employ a case study approach. The basic premise is that course materials, much of which can be read beforehand, provide some substantive background and the framework for guiding group discussion and learning. Much of the learning, however, is expected to occur during the interaction among carefully selected participants as they resolve issues posed by the case study materials.

For example: the three-day training course on Risk Assessment begins with presentations of basic information that build upon extensive written materials already provided to the participants. Following these presentations, small groups are formed, carefully selected to ensure that each group contains scientific expertise and as wide a range as possible of other environmental interests, e.g., business, non-government, political, bureaucratic, and so forth.

For the next several days, a trained facilitator guides each group through a case study developed specifically for the course. In this instance, each group has the task of performing a risk assessment for the mythical chemical "Dynitro-chickenwire." As the group moves through its task, it learns the basic elements of risk analysis, from exposure assessment and dose-response relationships to uncertainties and problems with weight of evidence.

Such training is, of course, no substitute for a doctorate in analytical chemistry or a degree program in environmental engineering. However, it provides a basic first step in understanding, either for managers or generalists, and can serve as the beginning of a more extensive education program for specialists.

Modules are generally much more successful than traditional lectures in transferring basic management principles because they hold the interest of the participants. While the modules are expensive and time-consuming to develop, they can be delivered at low cost, on location, over a period of less than a week. And, perhaps most important, the module approach allows for almost unlimited return on the initial investment because they are easily replicated after the course materials have been developed.

#### SUBSTANCE OF TRAINING:

Following is a brief overview of some of the training modules currently being developed or, in some cases, under consideration for future development:

- Environmental Policy: This course is designed to provide a comprehensive overview of some fundamental principles of environmental policy and decisionmaking to serve as a foundation for more intensive training on specific topics such as economic analysis and risk assessment (see below). The proposed training course will cover key steps in the regulatory development process, including how to evaluate data under uncertainty; how to assess risks and magnitude of exposure to pollutants; how to evaluate priorities across diverse and complicated environmental problems; and how to develop regulatory options and analyze the costs and benefits of those options. This course is scheduled for delivery in the CSFR and Bulgaria in early 1992.

- Economic Analysis: In response to the need to focus on the development of expertise in applying economic principles in the evaluation and mitigation of environmental problems, this training module will focus on assessing the economic aspects of environmental protection through identification of economic benefits, use of economic incentives, and development of cost effective solutions to environmental problems. This course is scheduled for delivery in Bulgaria and the CSFR in 1992.

- Risk Assessment: There has been widespread interest expressed by foreign partners in using risk assessment as a basis for development of environmental regulations. Based on the successful courses developed by EPA for delivery in the United States, the risk assessment training module will educate scientists about concepts of risk assessment and comparative risk and attempt to establish a common base of knowledge, methodology, and terminology for conducting risk assessments, including the transfer of EPA risk assessment data bases as appropriate. This course is scheduled for delivery in the CSFR and Bulgaria in 1992.

- Enforcement: The purpose of this module is to guide trainees in the (hypothetical) development of a modern enforcement system, including such considerations as the role of monitoring, regulatory and non-regulatory compliance approaches, and legal factors. The course currently is being tested in Poland and should be ready for use in other countries in early 1992.

- Environmental Impact Assessment (EIA): This module covers the basic elements of environmental impact assessment, administrative procedures for public participation, and sharing information with the public. The course is being developed for pilot demonstration in Poland in the first half of 1992.

Several additional modules being considered for future development include:

- Raising Revenues for Environmental Management: This module will explore use of a variety of market mechanisms, such as fees and taxes, as a means of raising money for environmental protection and as incentives for pollution prevention. Such a program is being developed for Hungary, and may be revised as necessary for delivery in other countries.

- Risk Communication: There is often a huge gap between how experts and the general public view environmental priorities. Experts may worry about air quality, while the public is more concerned with hazardous wastes. This course would explore the reasons behind these various points of view, and suggests valuable techniques for communicating with the public about science and risk.

#### Other Training Programs:

In contrast to actual training "modules," the following programs being developed for Central and Eastern Europe do not employ a case study approach, but provide training in several key areas that will be relatively inexpensive and easily replicable in other countries.

- Organizational/administrative reviews provide advice to environment ministries in various countries on budgeting, contracting, institutional organization, relation with environmental agencies at the non-federal levels and human resources. This program already has been tested in Poland and is being developed for the CSFR and Bulgaria.
- Environmental monitoring and information systems technical assistance and limited training will be provided in the CSFR, Bulgaria, Poland and Hungary in early 1992.
- Contaminated sites assessment training that reviews various methods for assessing and prioritizing waste sites for containment or remediation will be demonstrated in Central Europe in early 1992.
- Environmental emergency response training based on the U.S.-developed APPELL program will be provided to environmental officials at all levels beginning in late 1991.
- Food/soil contamination issues will be explored in the CSFR through data collection and analysis beginning in 1992.

#### APPLICABILITY OF TRAINING TO OTHER COUNTRIES AND REGIONS:

Based on EPA's knowledge of the institutional needs of environmental ministries and agencies around the world, it appears that the substance of these "building blocks" for environmental management is relevant for other countries, both developed and developing. Each country may, of course, pick and choose from among the full menu of items, although a core program might include environmental policy, risk assessment, enforcement, public participation, and basic administrative practices.

There are, however, some requirements that should be considered when adapting the EPA modules to a particular country:

- Materials must be translated for non-English speaking participants.
- Trained facilitators or managers should be familiar with the country or region where they are working.
- All courses (except extended legal, economic, and risk training) are designed to last three-five days; any alterations in this basic time-frame will reduce the effectiveness of the program.
- The modules approach is most useful if conceived as the beginning of a longer-term assistance effort in which future work is tailored to particular local needs and interests.

ATTACHMENT B1  
 FY 92 MODULE REPEATS  
 PROPOSED SCHEDULE AND BUDGET

MODULE TITLE	COUNTRY	QTR	COST
Risk Assessment	PL	1	\$ 50
Env. Policy	PL	1	50
Economic Analysis	PL	1	50
Enforcement	HUN	1	50
	BU	3	50
EIA	HUN	2	50
Haz Waste Site Ranking	PL	1	50
Env. Auditing	CSFR	1	50
<b>TOTAL</b>			<b>\$ 400</b>

**ATTACHMENT B2**  
**ENVIRONMENTAL MANAGEMENT TRAINING CENTERS**  
**PROPOSED BUDGET DETAIL**

Cooperative Agreement, Institute for Sustainable Communities	\$100,000
Grant to Polish EMTC	200,000
Grant to Bulgarian EMTC	200,000
Planning/travel cost, Hungary	25,000
	<hr/>
Total	\$525,000

**Proposed Schedule  
USEPA CEE FY 1992 funded Assistance Activities**

ID #	ACTIVITY	COUNTRY	1992(1)	1993			
			4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR
<b>INSTITUTIONAL DEVELOPMENT</b>							
ID1	Pub Education	HUN	Grantee on board. Project organization period and selection of participants and committee.	Project Manager hired. Sub-grant issued to Ministry. First round of curriculum design workshops conducted.	Field testing performed. Next round of curriculum design workshops conducted. May conduct teacher exchange.	Continued field testing and curriculum development workshops. Work underway with teachers' colleges.	Curriculum development and formation of environmental education network
ID12	Legal Training	REGION	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
ID22	Agriculture BMP's	POL	Develop plan & select sites. Begin dams during growing season.			Continue to demonstrate BMP. Increase types.	
ID33	Module Reports	REGION	See Attached Schedule				
ID46	Technical Assistance	REGION	Complete pilot training for all seven courses	Begin selected technical assistance projects	Implement technical assistance	Implement technical assistance	Evaluation
<b>REGIONAL PROJECTS</b>							
RP1	North Bohemia/Silesia	POL/CZ	Workshop to poor review air and health monitoring results with EC participation	Quality assistance audit assistance for air monitoring component	Technical assistance to facilitate continuation of air monitoring and health study	Continued technical assistance and training to build institutional capacity	Periodic consultations as required
RP2	Katowice/Ostrava	POL/CZ	Complete first half of risk management plan	Complete risk management plan	Complete financing plan	Implement mitigation projects	Implement mitigation projects

BEST AVAILABLE COPY

ID #	ACTIVITY	COUNTRY	1992(1)	1993			
			4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR
BP7	Env Mgt Training Ctrs	POL/BUL	Polish & Bulgarian EMTC terms of reference signed. Pol grant awarded & first course held	Bul. grant awarded & first training held	Both Centers conduct report modules.	Both Centers conduct report modules.	Sign Hungarian EMTC Term of Reference
<b>BALTICS</b>							
BL1	Monitoring Assessment	ALL 3	Purchase equipment	Begin training	Complete training and installation	Evaluation	
BL2	Standard Setting	ALL 3	Begin training	Complete training	Provide tailored technical assistance	Apply to specific standards	Evaluation
BL3	Tutoring	ALL 3	Begin technical assistance	Implement assistance	Implement assistance	Implement assistance	Evaluation
<b>MANAGEMENT</b>							
PM1	Management Evaluation		Secure contractors design study	Complete "assessment" phase and final report			

NOTE: (1) Activities shown in fy '92 were initiated using fy '91 funds

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>>> A N N E X B <<<<<<  
BUDGET/FINANCIAL PLAN

ID#	NAME	CNTRY	TOTAL	FY91	FY92
<b>A. INSTITUTIONAL DEVELOPMENT</b>					
ID2	PUBLIC EDUCATION	HU REG	\$230,000 \$50,000	\$50,000	\$230,000
ID12	LEGAL TRAINING	POL HUN	\$50,000 \$50,000	\$25,000 \$25,000	\$25,000 \$25,000
ID22	AGRICULTURE DEMO	PL	\$500,000	\$300,000	\$200,000
ID23	MODULE REPEATS (SEE ATT BI)	POL CSFR HUN BUL	\$80,000 \$160,000 \$80,000 \$80,000		\$80,000 \$160,000 \$80,000 \$80,000
ID26	TECHNICAL ASSISTANCE	POL CSFR HUN BUL	\$125,000 \$243,000 \$125,000 \$125,000		\$125,000 \$243,000 \$125,000 \$125,000
RP7	EMTC (SEE ATT BII)	PL BUL HU	\$250,000 \$250,000 \$25,000		\$250,000 \$250,000 \$25,000
INSTITUTIONAL DEVELOPMENT TOTAL			\$2,423,000	\$400,000	\$2,023,000
<b>B REGIONAL PROJECTS</b>					
RP1	NORTHERN BOHEMIA	PL/CZ	\$1,500,000	\$1,000,000	\$500,000
RP2	IEMP (OSTRAVA/KAT)	PL/CZ	\$1,950,000	\$863,000	\$1,087,000
REGIONAL PROJECTS TOTAL			\$3,450,000	\$1,863,000	\$1,587,000
<b>C. MANAGEMENT PROJECTS</b>					
PM1	MGT EXPENSES	REG	\$300,000	\$150,000	\$150,000
PM3	TRAVEL	REG	\$400,735	\$200,000	\$200,735
MANAGEMENT PROJECTS TOTAL			\$700,735	\$350,000	\$350,735

ID#	NAME	CNTRY	TOTAL	FY91	FY92
D. BALTICS PROJECTS					
BL 1	MONITORING/ASSESSMEN	ALL 3	\$300,000		\$300,000
BL 2	STANDARD SETTING	ALL 3	\$350,000		\$350,000
BL 3	TWINNING	ALL 3	\$250,000		\$250,000
BL 4	RESERVED	ALL 3			
BL 5	TRAVEL/MGT	ALL 3	\$100,000		\$100,000
BALTICS TOTAL			\$1,000,000	\$0	\$1,000,000
SUMMARY TABLE			\$7,573,735	\$2,613,000	\$4,960,735



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

SEP 30 1988

OFFICE OF  
ADMINISTRATION  
AND RESOURCES  
MANAGEMENT

Mr. Frank Almaguer  
Mission Director  
Regional Mission for Europe  
U.S. Agency for International Development  
2201 C Street, N.W.  
Washington, D.C. 20523

EPA Reference: RW72935826-01-0

Dear Mr. Almaguer:

I am forwarding to you two fully executed copies of an interagency agreement entitled: **"Improved Public Sector Environmental Services Activities in Eastern Europe."** These official copies should be retained by your agency. Please reference the EPA interagency agreement number in future correspondence on this agreement.

We are pleased to cooperate with you on this matter. If you have any questions or comments regarding the administrative management of this agreement, please contact Geneva W. Gillespie, of my staff, on (202) 260-4392.

Sincerely,

*Carlene Foucher*

*for* W. Scott McMoran, Chief  
Grants Information & Analysis Branch  
Grants Administration Division

Enclosure

cc: Jim Wood, FMC/CIN  
Peggy Maclin, PM-225  
Joan Fidler, A-106

 <b>United States Environmental Protection Agency</b> Washington, DC 20460 <b>Interagency Agreement/          Amendment</b> <b>Part 1 - General Information</b>		1. EPA IAG Identification Number RW72935826-01-0	4. Funding Location by Region XI			
		2. Other Agency IAG ID Number (if known)	5. Program Office Abbreviation OIA/HQ			
		3. Type of Action New Agreement				
6. Name and Address of EPA Organization U.S. Environmental Protection Agency Office of International Activities 401 M Street S.W. (A-106) Washington, D.C. 20460		7. Name and Address of Other Agency Agency for International Development EUR/DR/ENR 2201 C Street N.W. Washington, D.C. 20523				
8. Project Title Improved Public Sector Environmental Services Activities in Eastern Europe						
9. EPA Project Officer (Name, Address, Telephone Number) Joan Fidler EPA/OIA 401 M Street S.W. (A-106) Washington, D.C. 20460 (202) 260-0076		10. Other Agency Project Officer (Name, Address, Telephone Number) Ron Greenberg EUR/DR/ENR - AID 2201 C Street N.W. Washington, D.C. 20523 (202) 647-7315				
11. Project Period 10/1/92 - 5/15/96		12. Budget Period 10/1/92 - 5/15/96 *				
13. Scope of Work (Attach additional sheets, as needed) See attached IAA  * No-year funds						
14. Statutory Authority for Both Transfer of Funds and Project Activities Economy Act 1932 Amended (31USC1535); CERCLA as amended by SARA, Clean Water Act, and FIFRA			15. Other Agency Type Federal			
Funds		Previous Amount	Amount This Action	Amended Total		
16. EPA Amount			0	0		
17. EPA In-Kind Amount						
18. Other Agency Amount			1,500,000	1,500,000		
19. Other Agency In-Kind Amount						
20. Total Project Cost			1,500,000	1,500,000		
21. Fiscal Information						
Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deobligation Amt.
L6QS50	92			2L6Q13AZZA		\$1,410,000
X6QS50	92			2X6Q13AZZA		\$ 90,000

Part II - Approved Budget		EPA IAG Identification Number RW72935826-01-0
22. Budget Categories	Itemization of This Action	Itemization of Total Project Estimated Cost to Date
(a) Personnel	\$	\$
(b) Fringe Benefits		
(c) Travel	90,000	90,000
(d) Equipment		
(e) Supplies		
(f) Procurement/Assistance	1,410,000	1,410,000
(g) Construction		
(h) Other		
(i) Total Direct Charges	\$ 1,500,000	\$ 1,500,000
(j) Indirect Costs: Rate % Base \$		
(k) Total (EPA Share 0 %) (Other Agency Share 100 %)	\$ 1,500,000	\$ 1,500,000
23. Is equipment authorized to be furnished by EPA or leased, purchased, or rented with EPA funds? (Identify all equipment costing \$1,000 or more)		<input type="checkbox"/> Yes <input type="checkbox"/> No
N/A		
24. Are any of these funds being used on extramural agreements? (See item 22f)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of Extramural Agreement		
TBD <input type="checkbox"/>	Grant <input type="checkbox"/>	Cooperative Agreement <input type="checkbox"/> Procurement (includes Small Purchase Order) <input type="checkbox"/>
Contractor/Recipient Name (if known)	Total Extramural Amount Under This Project	Percent Funded by EPA (if known)
TBD	\$1,410,000	-0-
Part III - Funding Methods and Billing Instructions		
25. <input type="checkbox"/> Funds-Out Agreement <span style="float: right;">(Note: EPA Agency Location Code (ALC) - 68010727)</span>		
<input type="checkbox"/> Disbursement Agreement		
<input type="checkbox"/> Repayment	Request for repayment of actual costs must be itemized on SF 1081 or SF 1080 and submitted to the Financial Management Center, EPA, Cincinnati, OH 45268:	
<input type="checkbox"/> Monthly	<input type="checkbox"/> Quarterly	<input type="checkbox"/> Upon Completion of Work
<input type="checkbox"/> Advance	Only available for use by Federal agencies on working capital fund or with appropriate justification of need for this type of payment method. Unexpended funds at completion of work will be returned to EPA. Quarterly cost reports will be forwarded to the Financial Management Center, EPA, Cincinnati, OH 45268.	
<input type="checkbox"/> Allocation Transfer-Out	Used to transfer obligational authority or transfer of function between Federal agencies. Must receive prior approval by the Office of the Comptroller, Budget Division, Budget Formulation and Control Branch, EPA Headquarters. Forward appropriate reports to the Financial Reports and Analysis Branch, Financial Management Division, PM-226F, EPA, Washington, DC 20460.	
26. <input checked="" type="checkbox"/> Funds-In Agreement		
<input checked="" type="checkbox"/> Reimbursement Agreement	<input type="checkbox"/> Repayment	
<input type="checkbox"/> Allocation Transfer-In	<input checked="" type="checkbox"/> Advance	
Other Agency's IAG Identification Number		EPA Program Office Allowance Holder/Responsibility Center Number
		13A
Other Agency's Billing Address (Include Agency Location Code or Station Symbol Number) Agency for Int'l Development EA/FM/CARD, Interagency Billing Unit SA-2, Rm. 603, Wash., D.C. 20523-0208		Other Agency's Billing Instructions and Frequency  OPAC or SF-1081

**Part IV - Acceptance Conditions**

EPA IAG Identification Number  
RW72935826-01-0

**27. General Conditions**

The other agency covenants and agrees that it will expeditiously initiate and complete the project for which funds have been awarded under this agreement.

**28. Special Conditions** (Attach additional sheets if needed)

**Part V - Offer and Acceptance**

**Note:** 1) For Funds-out actions, the agreement/amendment must be signed by the other agency official in duplicate and one original returned to the Grants Administration Division for Headquarters agreements or to the appropriate EPA Regional IAG administration office within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA. The agreement/amendment must be forwarded to the address cited in Item 29 after acceptance signature.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time may result in the withdrawal of the offer by EPA. Any change to the agreement/amendment by the other agency subsequent to the document being signed by the EPA Action Official, which the Action Official determines to materially alter the agreement/amendment, shall void the agreement/amendment.

2) For Funds-in actions, the other agency will initiate the action and forward two original agreements/amendments to the appropriate EPA program office for signature. The agreements/amendments will then be forwarded to the appropriate EPA IAG administration office for acceptance signature on behalf of the EPA. One original copy will be returned to the other agency after acceptance.

EPA IAG Administration Office (for administrative assistance)

EPA Program Office (for technical assistance)

**29. Organization/Address**

U.S. Environmental Protection Agency  
Grants Administration Division/GIAB PM216F  
401 M Street S.W.  
Washington, D.C. 20460

**30. Organization/Address**

U.S. Environmental Protection Agency  
Office of International Activities  
401 M Street S.W. (A-106)  
Washington, D.C. 20460

**Certification**

All signers certify that the statements made on this form and all attachments thereto are true, accurate, and complete. Signers acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law.

**Decision Official on Behalf of the Environmental Protection Agency Program Office**

**31. Signature**

*Timothy Atkeson*

**Typed Name and Title**

Timothy Atkeson, Asst. Administrator  
Office of International Activities

**Date**

SEP 30 1992

**Action Official on Behalf of the Environmental Protection Agency**

**32. Signature**

*Carlene Fausch for*

**Typed Name and Title**

W. Scott McMoran, Chief  
Grants Information and Analysis Branch

**Date**

9/30/92

**Authorizing Official on Behalf of the Other Agency**

**33. Signature**

**Typed Name and Title**

See Attached IAA

**Date**