

**PARTICIPATING AGENCY PROGRAM AGREEMENT
BETWEEN
THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
AND
THE UNITED STATES PEACE CORPS**

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| Award Number: DCH-T-00-06-00004-00 | | Modification Number: #5 | |
| 1. Program Title: Small Project Assistance (SPA) Program - SPA III | | 2. Strategic Objective Title and Number: Special Objective (see Schedule, Sec. B) | |
| 3. Appropriation Symbol: | | 4. Fund Code: | |
| 5. A&A Request/MAARD Number: | | 6. Initial Fiscal Year: 2007 | |
| 7. Start Date: 10/01/2009 | | 8. Completion Date: 9/30/2011 | |
| 9A. Prior Funding \$5,349,400 | 9B. Funding Obligated this Document \$2,457,000 | 9C. Total Obligated Funding 7,806,400 | |
| 10. Authority: Section 632(b) of the Foreign Assistance Act of 1961 (FAA), as amended, 22 U.S.C. Sec. 2392(b). | | | |
| 11. Program and Amendment Description: This modification (1) provides an additional \$2,457,000 for Peace Corps SPA activities in participating posts for implementation year FY 2010; (2) amends the schedule to add section F.8, which clarifies the requirements set forth in Section R of the Standard Provisions (Annex C); and (3) incorporates modifications to the Program Description (Annex A) Section 1(b) that were mutually agreed upon and documented by an exchange of letters dated December 31, 2008, in accordance with the modification procedures described in Annex C Section I.A. The Peace Corps shall use the additional funds provided through this amendment to carry out activities included in the program description found in the Schedule and Annex A of the PAPA in accordance with the country and funding breakdown set forth in the Attachment, "Fiscal Data for FY 2009 USAID Funds," which is incorporated herein. | | | |
| 12. Liaison Offices/Additional Representatives | | | |
| 12A. The Peace Corps - Small Project Assistance Coordinator Andrew C. Neustaetter Office of Overseas Programming and Training Support (OPATS) / Partnership Development Unit (PDU) 1111 20th St. NW. Washington, D.C. 20526 202-692-2610 | | 12B. United States Agency for International Development – Cognizant Technical Officer Adele H. Liskov, ODP/PVC 1300 Pennsylvania Avenue RRB 6.07-151 Washington, DC 20523 202-712-1677 | |
| 13A. Signature by Authorized Representative The Peace Corps By: _____ Carey Fountain Chief Acquisition Officer Office of Acquisitions and Contract Management (OACM) Date: _____ | | 13B. Signature by USAID Agreement Officer United States Agency for International Development By: _____ Karen Turner Director Office of Development Partners Date: _____ | |
| 14. This Agreement consists of this face sheet and the following items (if marked): | | | |
| <input checked="" type="checkbox"/> Schedule | | <input checked="" type="checkbox"/> Annex A – Program Description | |
| <input checked="" type="checkbox"/> Annex B – Financial Plan and Budget | | <input checked="" type="checkbox"/> Annex C – Standard Provisions | |
| <input checked="" type="checkbox"/> Annex D – Initial Environmental Examination | | | |

AID 306-1 (10/02)

PAPA
Schedule, Annex A, Annex B, Annex C and Annex D

Schedule

A. PURPOSE OF AGREEMENT

1. This Agreement between the United States Peace Corps (Peace Corps or the Participating Agency) and the United States Agency for International Development (USAID) is entered into under the authority of Section 632(b) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. Sec. 2392(b). The Agreement defines the procedures under which USAID will reimburse the Participating Agency to implement the Small Project Assistance Program (SPA III or the Program) in selected countries in which there are Peace Corps posts. Eligible posts include those in which the resident USAID Mission or Regional Office supports the Program. It is anticipated that countries in each of the four USAID Bureaus will participate in the Program.

2. For purposes of this Agreement, the term "Cooperating Country" means the country receiving assistance under this Agreement and includes the countries listed or described above, and such other countries as USAID and the Participating Agency may agree to in writing.

B. PURPOSE OF PROGRAM

1. The Program, as further described in Annex A, contributes to USAID's development objectives of fostering economic growth, protecting human health, providing emergency humanitarian assistance, and nurturing democracy and democratic practices in developing countries. The Participating Agency will assist USAID in carrying out the Program by working with host country and community counterparts to pursue sustainable development through a) stimulating economic growth and agricultural development; b) protecting the environment; c) improving human health (including child survival); d) promoting democracy and good governance; e) building human capacity; and f) assisting in humanitarian relief and the transition to development in post-crisis situations. The character of the Participating Agency's technical assistance under this Agreement is unique and not otherwise obtainable from private sources.

2. The Program also responds to a Special Objective developed for this Agreement: "*to increase the capabilities of local communities to conduct low-cost, grassroots sustainable development.*" The Participating Agency will assist communities to identify common concerns, develop strategies to address these concerns, and design and implement small-scale community-level projects. Each Participating Agency post that supports activities under this Agreement will manage a grant program, which will provide small amounts of capital to the most feasible projects. To enhance the sustainability of these small projects and to build greater self-reliance, targeted skills training is also provided to the host country and community counterparts of the Participating Agency's volunteers, through which the Participating Agency will carry out its

responsibilities under this Agreement (Volunteers). To expand and deepen the impact of the program, the Peace Corps volunteers will be encouraged to seek alliances with other organizations and institutions operating in the same geographic and sector area. Local alliances are an effective way to mobilize ideas, efforts and resources, e.g., dissemination of a practical guidebook on exclusive-breastfeeding behaviors written in the local language to NGOs and local health posts.

C. FISCAL TERMS

1. Execution of this Agreement constitutes an obligation by USAID of the funds specified in block 9B of the face sheet of this Agreement.

2. USAID funding for the Program is limited to the total obligated funding (block 9C of the face sheet of this Agreement). Unless USAID agrees otherwise in writing, funds obligated under this Agreement are available for Program expenditures from the date of this Agreement through the Program Completion Date specified in block 8 on the face sheet of this Agreement. USAID may obligate contributions in excess of its initial obligation by one or more amendments to this Agreement, subject to the availability of funds and mutual agreement of USAID and the Participating Agency to proceed at the time of any such amendments. If the Participating Agency chooses to continue Program activities after USAID funding has been exhausted, the Participating Agency agrees to use its own funds for that purpose.

3. The financial plan in Annex B sets forth the budget for implementation of the Program. Annex B will be modified if additional funds are added to the Program through amendment of this Agreement. Within the total budget amount for the Program, the Participating Agency may adjust individual line items, provided that (1) any adjusted line item does not change by more than 25 percent of the amount shown for that line item in the financial plan and (2) the Participating Agency gives USAID written notice of the adjustments. Adjustments to the budget that exceed 25 percent for any one line item require prior written approval of USAID.

4. The Participating Agency will ensure that funds appropriated under the Support for East European Democracy (SEED) Act of 1989, as amended, and made available to the Participating Agency under this Agreement are expended for activities related to the Cooperating Countries of Central and Eastern Europe, and that funds appropriated under the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (FREEDOM Support Act), as amended, and made available to the Participating Agency under this Agreement are expended for activities related to the Cooperating Countries of the New Independent States.

D. BILLING; FINANCIAL, AND OTHER REPORTS

1. The Participating Agency must bill USAID through the Intra-governmental Payment and Collection system (IPAC).

The USAID financial contact person is:

Boniface Nwachu, Team Leader
USAID/M/CFO/CMP
RRB, 7.07-099
202-712-4516 (telephone)
202-216-3543 (fax)
The USAID Agency Location Code (ALC) for billings is 72-000001.

2. Any other Financial Reports must be addressed to

United States Agency for International Development
M/FM/CMP/IBU
Inter-Agency Billing Unit
1300 Pennsylvania Avenue, N.W.
Room 7.07-064
Washington, D.C. 20523-0208

3. The Participating Agency must furnish the original of the periodic financial reports required under Section B.2 of the Standard Provisions (Annex C) of this Agreement to USAID at the above-stated address.

4. The Participating Agency must prepare the financial reports required under this Agreement on a quarterly basis.

5. a. Annual Progress Reports: The Participating Agency must provide to USAID, in a form and substance satisfactory to USAID, annual reports on progress toward achieving Program objectives, keyed to approved planning documents, if any. The reports must include, but not be limited to, the following information: status of achieving goals, objectives and benchmarks; progress or completion of Program components, elements or activities against planned targets; description of overall Program status; other accomplishments and major highlights of Program implementation; identification and explanation of significant problems or delays related to achievement of objectives or activities; and a brief summary of significant corrective actions and major activities planned for the subsequent reporting period. The reports must include separate sections that describe country-specific activities, as appropriate.

- b. Final Report: Not later than 60 days following the Completion Date of the Program, the Participating Agency must prepare and submit to USAID, in a form and substance satisfactory to USAID, a final report of activities financed under this Agreement. The final report must provide a chronological summary of the information required generally for the periodic progress reports from the beginning of the Program to its completion; and an assessment by the Participating Agency, to the extent feasible, of the impacts of the Program.

6. The Participating Agency must furnish to the Cognizant Technical Officer (CTO) of USAID noted in block 12B of the face sheet of this Agreement two copies of all financial and other reports required under this Agreement, in a format acceptable to both parties.

E. PROGRAM PLANNING AND COORDINATION

1. Program Planning

Participation in the Agreement is at the discretion of each USAID Mission, Bureau or Regional Office. At each Participating Agency post, the Peace Corps Country Director for the post and the authorized representative for the USAID Mission will discuss areas of collaboration consistent with their mutual country-level development goals and objectives. The USAID Mission will agree on a funding level sufficient to implement the country-level Program activities, which will be included in USAID's yearly Operational Planning process (Section 5: Implementing Mechanism). Prior to initiating activities in a particular country under the PAPA, the Peace Corps Country Director for the post will obtain confirmation from the authorized representative for the cognizant USAID Mission or Regional Office that the use of funds under the PAPA for the envisaged activities do not conflict with applicable country restrictions.

Detailed operating procedures at the country level are laid out in the *Small Project Assistance (SPA) Handbook*, which is provided to each Participating Agency post and USAID Mission. The Handbook describes the process by which small community grants and technical skills training workshop proposals are received and reviewed, the required financial management and reporting processes, and the roles and responsibilities of Peace Corps and USAID Mission staff in implementing the Program.

Peace Corps staff within OPATS/PDU at Peace Corps Headquarters in Washington, D.C., will administer this Agreement. They will be supported in their work by additional Peace Corps headquarters and field staff, as required.

Peace Corps staff responsible for administering this Agreement will meet on a quarterly basis with the USAID CTO for this Agreement, who will also be supported by other USAID staff as required. These quarterly meetings shall function as a consultative mechanism to facilitate and improve interagency cooperation.

2. Consultation

The Participating Agency and USAID will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Participating Agency and USAID, at the request of either, will exchange views on the progress of the Program, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged in the Program, and other matters relating to the Program.

3. Coordination

The Participating Agency, consistent with its authority, policies and programming priorities will make best efforts to coordinate its activities with those of other U.S. Government financed programs and other donors providing assistance substantially similar to that of the Participating Agency in the Cooperating Country(ies).

4. Compliance with USAID Policy Guidance.

The Office of Development Partners (ODP) is responsible for coordinating the implementation of USAID-funded activities of the Participating Agency under this Agreement. From time to time, the Director ODP, his or her Deputy, or any authorized representative thereof may provide additional policy or operational guidance in writing to the Participating Agency or its representatives in carrying out this Program. The Participating Agency agrees to comply with such guidance so long as it is consistent with this Agreement and with laws governing operation of the Participating Agency.

5. Communication

Any notice, request, document, report, or other communication submitted by either the Participating Agency or USAID, unless this Agreement expressly provides otherwise or the parties otherwise agree in writing, will be sent to the other party's Additional Representative or USAID's CTO for this Agreement, as noted in block 12A and 12B, respectively, of the face sheet of this Agreement.

6. Notification

The Participating Agency must notify USAID promptly in writing of any audits of activities financed by this Agreement initiated by or at the request of the Participating Agency, its Inspector General, the Office of Management and Budget, or the General Accounting Office.

7. Program Evaluation

At the option of either USAID or the Participating Agency, the Participating Agency will undertake or cause to be undertaken, within the total budget specified in the Financial Plan and Budget in Annex B of this Agreement, an external evaluation of the Program. The Participating Agency and USAID must agree on the terms of reference for the evaluation and an appropriate schedule for conducting it. Evaluations may include:

- a. Evaluation of progress toward attainment of Program objectives;
- b. Identification and evaluation of problem areas or constraints that may inhibit attainment of Program objectives;
- c. Assessment of how such information may be used to help overcome such problems; and
- d. Evaluation of the overall impact of the Program on Program objectives.

8. Information Requirements for Training Activities

a. The quarterly reports discussed above and in Standard Provisions, Clause F, will include a country-by-country analysis, by gender and ethnicity, of the individuals trained to date

under the Program.

b. In addition, the Participating Agency will provide reports to USAID through USAID's required participant training database, "TraiNet," in accordance with USAID Automated Directives System Chapter 253. The Participating Agency must enter in the database data for each person trained under the Program. The data will include biographical, programmatic, administrative, and logistical information that will facilitate USAID's reporting to Congress.

F. SPECIAL PROVISIONS

1. Country Eligibility

a. Except as the USAID CTO for this Agreement and the Peace Corps may otherwise agree in writing, any country which is both a USAID presence country and in which the Peace Corps works shall be eligible to participate in the Program. Peace Corps countries which are not USAID presence countries but are otherwise eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance shall be eligible to participate in the Program, subject to the availability of funds, the concurrence of USAID CTO for this Agreement, and the identification of a USAID entity with appropriately delegated authority within the country.

b. Funds provided under this Agreement may not be used for activities that constitute "furnishing assistance" to a country or countries which USAID informs the Participating Agency are ineligible for assistance, except as USAID may advise otherwise. Examples of activities that constitute "furnishing assistance" to a country include assistance directly to a country's public or private sector, assistance to a USAID Mission, or assistance to another donor or nongovernmental organization to assist it in assisting the country. Examples of activities that are not considered to be assistance to a country include providing information on Program results to USAID Mission representatives in countries where the Program operates, or conducting an evaluation of past activities, where the information developed is not transmitted to the country or to another donor to use in assisting the country.

2. **Environmental Regulations.** The Participating Agency must comply with USAID environmental regulations (Code of Federal Regulations (CFR), Title 22, Part 216, "Reg. 216") in carrying out the Program. In accordance with 22 CFR 216, all USAID funded activities must undergo an environmental compliance procedure, the Initial Environmental Examination (IEE) to review the reasonably foreseeable effects on the environment of proposed actions. The SPA Program contains activities among the community projects or community-based self-help initiatives that have a potential for an adverse impact to human health or natural resource base. These projects include but are not limited to 1) water/sanitation and maintenance; 2) agriculture such as agroforestry and community gardens, and 3) environment such as natural resource management. As detailed in the IEE for the SPA program (Annex D), the IEE has classified the

above mentioned activities as a “negative determination with conditions”. A condition of a proposed activity could be providing monitoring or mitigation measures to minimize, avoid, or compensate for adverse effects during construction or implementation. USAID will, upon request, provide further guidance to help the Participating Agency comply with Reg. 216. Copies of the SPA IEE can be accessed from the searchable online “IEE database” located at www.encapafrika.org.

3. Source and Origin of Commodities; Nationality of Suppliers of Commodities and Services. The following provisions apply to this Agreement except as USAID may otherwise agree in writing.

a. Except as this Agreement provides otherwise, the Participating Agency must comply with 22 CFR Part 228 and USAID Automated Directives System (ADS) Chapters 310 and 311. The terms "source," "origin," "nationality," “foreign policy-restricted countries” and “Geographic Code,” as used in this Agreement, have the definitions set forth in 22 CFR 228.

b. The USAID Authorized Geographic Code for the source and origin of commodities financed under this Agreement and for the nationality of the suppliers of commodities and services financed under this Agreement will be “000,” the United States.

c. Commodities financed under this Agreement must have their source and origin in a country or area included in the USAID Authorized Geographic Code applicable to this Agreement or in the cooperating country. Suppliers of commodities or services will have a country or area included in the USAID Authorized Geographic Code or the cooperating country as their place of nationality.

d. Commodities and services financed under the Program with funds under the Development Fund for Africa will be governed by the following:

(1) To the maximum extent possible, commodities financed under this Agreement must have the United States as their source and origin, and suppliers of commodities and services must have the United States as their country of nationality;

(2) Agricultural commodities financed under this Agreement must have the United States as their source and origin when the domestic price of such commodities is less than parity, unless USAID concurs that the commodity cannot reasonably be procured in the United States to fulfill the objectives of the Program;

(3) Where adequate competition among qualified United States firms exists for construction activities in excess of \$5,000,000 or for engineering services procurement, the supplier of such construction services must have the United States as its country of nationality;

(4) Suppliers of pharmaceuticals financed under this Agreement must have United States as their country of nationality;

(5) Only USAID-approved pesticides may be procured;

(6) Fertilizers financed under this Agreement must have the United States as their source and origin, unless USAID determines that there are significant price differentials between United States and foreign sources or that there would be an adverse impact on price or domestic availability in the United States;

(7) While participant training may be financed in USAID Geographic Code 899 countries, all long-term training must take place in the United States or the cooperating country;

(8) The Cargo Preference Act of 1954, 46 U.S.C., Sec. 1242(b)(1) applies to ocean shipping under this Agreement;

(9) Air travel and transportation to and from the United States must be procured from United States-flag carriers; and

(10) The non-United States portion of any procurement transaction under the Agreement must not exceed \$5,000,000.

e. The Participating Agency may authorize the source, origin, and nationality of a procurement in a country other than as specified in this Agreement, only if

(1) The procurement is of commodities or services of a type that is not produced in and available for purchase in any country authorized under this Agreement; or

(2) The Authorized Representative of the Participating Agency determines in writing on a case-by-case basis that procurement in such other country is necessary (a) to meet unforeseen circumstances, such as emergency situations, or (b) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives. The authorization for procurement under this paragraph must be in writing and must set forth the basis for the authorization. The Participating Agency must provide USAID a copy of the authorization.

f. USAID hereby advises the Participating Agency that the funds transferred to the Participating Agency under this Agreement will be in part under the Development Fund for Africa. USAID will give the Participating Agency additional written advice regarding the source, origin, and nationality rules applicable to other funds, as necessary.

g. For purposes only of determining the authorized source and origin of commodities and the nationality of suppliers of commodities and services financed under the FREEDOM Support Act, the term "cooperating country" includes the independent states of the former Soviet Union.

4. Participating Agency personnel will not work primarily in USAID offices or on USAID activity sites.

5. Section 487

Under Section 487 of the Foreign Assistance Act of 1961 (FAA) (Section 487), as amended, no assistance may be provided under this Agreement to or through any individual or entity where the United States Government has reason to believe that the individual, the entity or a "key individual" of the entity is or has been involved in "drug trafficking activities" (including "money laundering") (all quoted terms in this clause having the meanings given them in Section 487 and USAID Automated Directives System (ADS) Chapter 206). If assistance under this Agreement is to be provided by the Participating Agency to an individual or entity in or from a "covered country," or if the Participating Agency knows or has a reasonable suspicion that the proposed individual, entity, or "key individual" of the entity is or has been involved in "drug trafficking activities," then the Participating Agency is responsible for ensuring that the assistance is provided in a manner consistent with the provisions of Section 487 and ADS 206, including, as applicable:

- (i) Submitting the names of each "key individual" and "covered participant" to the Country Narcotics Coordinator at the relevant United States Embassy for clearance;
- (ii) Obtaining certifications in the forms of the "Key Individual Certification – Narcotics Offenses and Drug Trafficking" and the "Participant Certification - Narcotics Offenses and Drug Trafficking," as set forth ADS 206, from each "key individual" and "covered participant"; and
- (iii) Including in any agreement that the Participating Agency may enter into with a "first-tier recipient" or "covered participant" the appropriate clause(s) substantially in the form(s) attached as Attachment 1 of this Schedule.

6. Support to Terrorism

The Participating Agency is reminded that U.S. Executive Orders and U.S. laws prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Participating Agency to ensure that all sub-agreements, contracts, and grants issued under this Agreement comply with these Executive Orders and laws.

7. HIV/AIDS Activities

Funds made available under the PAPA for HIV/AIDS activities are subject to the requirements set forth in the U.S. Leadership against HIV/AIDS, Tuberculosis and Malaria Act of 2003.

8. Branding and Marking

With regard to Section R of the Standard Provisions (Annex C), the parties agree that USAID-financed activities under this agreement will be co-branded and co-marked as [required by ADS 320.3.4.1 and 320.3.3.1](#). The USAID Principal Officer may grant a waiver (see ADS

3203.2.6) of the marking requirements for safety, security, or political reasons, or in the event of actual or anticipated adverse reaction in the cooperating country.

G. ORDER OF PRECEDENCE

Conflicts between any parts of this Agreement will be resolved by applying the following descending order of precedence:

Face Sheet
Schedule
Annex C, Standard Provisions
Annex B, Financial Plan and Budget
Annex A, Program Description

Schedule, Attachment 1

Clauses for USAID-Financed Agreements

The following clauses (or substantive alternatives) are to be included in Covered Agreements.

a) For AGREEMENTS WITH FOREIGN GOVERNMENTS:

The Participating Agency reserves the right to terminate this Agreement or take other appropriate measures if _____ or a key individual of _____ is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

b) For AGREEMENTS WITH PUBLIC INTERNATIONAL ORGANIZATIONS:

The Grantee must make such reasonable efforts as are necessary to ensure that no funds or other support under this agreement is diverted in support of drug trafficking.

c) For AGREEMENTS WITH NONGOVERNMENTAL ORGANIZATIONS:

The Participating Agency reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee/Contractor is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

d) If there are COVERED PARTICIPANTS:

The Participating Agency reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by Participating Agency who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

e) If there are LOANS OVER \$1000.

(x) For any loan over \$1000 made under this Agreement, the Grantee/Contractor must insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall, or refund by the Grantee/ Contractor if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(xx) Upon notice by the Participating Agency of a determination under section (x) and at the Participating Agency's option, the Grantee/ Contractor agrees to immediately cancel, accelerate, or recall the loan, including refund in full of the outstanding balance. The Participating Agency reserves the right to have the loan refund returned to the Participating Agency.

f) If there is a DESIGNATED SUBRECIPIENT:

(x) The Grantee/Contractor agrees not to disburse, or sign documents committing the Grantee/Contractor to disburse, funds to a subrecipient designated by the Participating Agency ("Designated Subrecipient") until advised by Participating Agency that (1) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (2) any related certifications have been obtained; and (3) the assistance to the Designated Subrecipient has been approved.

(xx) The Grantee/Contractor must insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

The Grantee/Contractor reserves the right to terminate this Agreement or take other appropriate measures if the Designated Subrecipient or a key individual of the Designated Subrecipient is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 14

Annex A Program Description

Statement of Work

1. Under this Agreement Peace Corps Volunteers in Participating Agency posts will work with host country and community counterparts and non-governmental and community organizations to support sustainable grassroots community development through the following Program components:

a) Community Grants

This component supports small-scale projects at the community level in Participating Agency posts. Community projects supported by these grants must respond to community-based self-help initiatives and contribute to one or more of the Program's Intermediate Results (see section C.2, below). Additional guidance on small project implementation is contained in the *SPA Handbook for Peace Corps and USAID staff*.

b) Capacity-building

The Peace Corps has a unique capability to identify host country nationals for inclusion in technical assistance interventions and training workshops. This Agreement will permit Participating Agency posts to include Volunteers' host country and/or community counterparts in In-Service Training (IST) and/or technical training workshops. For example, training may be provided to counterparts in the Project Design and Management (PDM) methodology previously developed by Peace Corps. This interactive training builds the skills of counterparts in participatory community planning, the identification of priorities, small project design and implementation, budgeting and monitoring and evaluation. Capacity-building technical training may also be offered in other sector areas as well, where the emphasis will be placed on the transfer of skills that can be directly applied to implementing sustainable community development activities and to building greater self-reliance at the local level. In these training activities, USAID funds will support the travel, lodging and per diem of host country and community counterparts. PAPA funds may cover travel, lodging and per diem costs of Peace Corps Volunteers to attend training, orientation or other workshops, upon the request of the applicable USAID Mission, where the workshop content enhances the capacity of Volunteers and host

country nationals to implement community development activities envisaged under the PAPA. PAPA funds may not cover any costs related to basic training of Peace Corps Volunteers, including pre-service training and close-of-service workshops.

c) Other collaboration

- i) As desired by the Parties, USAID and Peace Corps may also collaborate on other sector, program, national or regional initiatives that focus on building the capacity of local communities to implement sustainable development projects. For each of these specific collaborations, the parties will develop the goals, objectives and desired results, and indicate how each initiative will respond to one or more of the Intermediate Results for the Program.

- ii) On occasion, Participating Agency posts may request support to conduct country-level evaluations and/or impact assessments of their performance under this Agreement. These evaluations will assess the Program's performance in strengthening the capabilities of local communities and community organizations to carry out low-cost, sustainable, grassroots development activities. Any such evaluation will be in addition to the monitoring and evaluation requirements described in Section F, below and the regular sharing of information on Program performance with USAID Missions in each Participating Agency post.

B. Program Areas

1. Under the terms of the Statement of Work for this Agreement, funding provided by USAID Field and/or Regional Missions and/or Regional Bureaus may be used to carry out Program activities in a variety of sector and initiative areas. The following list is merely illustrative:
 - a) health and water sanitation activities;
 - b) basic education activities, directed to literacy and numeracy, but also including non-formal education with out-of-school youth, women's organizations, and disadvantaged groups;
 - c) agricultural and economic growth activities;
 - d) environmental activities;
 - e) civic education and democracy-building activities; and

f) cross-cutting priorities, including gender and youth development, and integrated activities, e.g. income-generation activities for People Living With AIDS (PLWAs), among others.

2. Additional short-term or longer-term assistance consistent with the requirements of this Agreement's Schedule, Standard Provisions and Program Description, by , other pillar bureaus, regional bureaus, operating units or strategic objective teams of USAID may be provided with the approval in writing of USAID's CTO for this Agreement, by amending this Agreement.

C. Results

1. Special Objective. The Special Objective developed within USAID for this Program is “**to increase the capabilities of local communities to conduct low-cost, grassroots sustainable development activities.**”

2. Intermediate Results. Six Intermediate Results have been developed to meet the Special Objective. As the participation of men, women, boys and girls in local-level development efforts is considered essential to achieving broad-based improvements and sustainability, disaggregated information on individuals who are members of community groups and direct participants in the Program's capacity-building efforts, as well as those who are indirect beneficiaries, will be reported on for each Intermediate Result.

The anticipated results of this Program are:

- a) The increased involvement in and effective implementation of health and water sanitation projects by local community groups.
- b) The effective implementation of quality-based education efforts by local communities;
- c) Increased involvement in and effective implementation of agricultural and economic activities by local community groups;
- d) Greater responsibility for effective environmental interventions by local communities;
- e) The effective implementation of projects that strengthen civil society and democratic practice by local community groups and/or non-governmental organizations; and
- f) Stronger local organizational capacity to implement cross-cutting and integrated development interventions.

3. USAID Strategic Planning Framework. Each Participating Agency post will work within the general goals and program components of USAID's strategic planning framework established for each Mission. Insofar as possible and appropriate, Participating Agency posts will contribute performance data to USAID for their use in tracking progress in implementing the country-level strategic plan.
4. Monitoring and Evaluation Requirements. The monitoring requirements for this Program address a) the degree to which performance indicators for each Intermediate Result and their related data accurately reflect the process they are being used to measure and b) the level of comparability of performance indicators and data from year to year.

Annex B
Financial Plan and Budget
Additional funding for FY10 - \$2,457,000 (Amendment #5)*

For each year of this Agreement, the revenue stream (and therefore the Financial Plan and Budget) will be determined by rolling up the contributions made by each USAID Field Mission, Regional Support Mission, or regional and/or technical support Bureau supporting the Program in Participating Peace Corps Posts. Incremental funding will be provided in yearly amendments to this Agreement, and a Financial Plan and Budget will be prepared consistent with each amendment.

Budget Categories and line items for this Agreement will include:

Salary and Benefits/Program Administration:

| | |
|-------------------|------------|
| 2 full-time staff | \$ 170,000 |
|-------------------|------------|

Travel and Per Diem:

| | |
|----------------------|------|
| Travel | \$ 0 |
| Lodging and per diem | \$ 0 |

| | |
|-----------------|-------------|
| Subtotal | \$ 0 |
|-----------------|-------------|

Monitoring and Evaluation:

| | |
|----------------------|------|
| Travel | \$ 0 |
| Lodging and per diem | \$ 0 |

| | |
|-----------------|-------------|
| Subtotal | \$ 0 |
|-----------------|-------------|

| | |
|-----------------|----------------------|
| Subtotal | \$ 170,000 ** |
|-----------------|----------------------|

| | |
|-------------------------|-----------|
| Overhead (15% of above) | \$ 25,500 |
|-------------------------|-----------|

| | |
|-----------------|--------------------|
| Subtotal | \$ 195,500, |
|-----------------|--------------------|

| | |
|-----------------------------|--------------|
| Grants and Field Assistance | \$ 2,261,500 |
|-----------------------------|--------------|

| | |
|--------------|---------------------|
| TOTAL | \$ 2,457,000 |
|--------------|---------------------|

* Unexpended funds provided by USAID to Peace Corps in prior amendments shall continue to be used in accordance with the budgets set forth in those amendments, provided that the terms and conditions restated in this amended and restated PAPA shall otherwise apply to such funds.

**Unobligated carryover funds budgeted for administrative costs in prior amendments may cover additional salary, benefits and limited travel, and monitoring and evaluation costs, as required.

Annex C Standard Provisions

A. GENERAL

1. The Participating Agency will use the funds made available to it under this Agreement to cover costs incurred in carrying out the Program under the terms and conditions of this Agreement. The Participating Agency will be accountable for all funds made available to it under this Agreement. Funds not expended by the Participating Agency by the Completion Date of the Program (as defined below) and funds expended for purposes or activities not authorized by this Agreement will be promptly refunded to USAID.

2. The Completion Date for the Program will be the date stated in block 8 of the face sheet of this Agreement, or such other date as the parties may agree to by amendment of this Agreement. "Completion Date" for this purpose means the estimated date by which all USAID-financed services will have been performed and all USAID-financed goods will have been furnished for the Program as contemplated in this Agreement. Except as USAID may otherwise agree in writing, funds transferred under this Agreement may not be used to finance services performed after the Completion Date or goods furnished after the Completion Date.

3. USAID will begin to formally close out the Program after the physical completion of the Program or the Completion Date, whichever occurs first. The Participating Agency will cooperate with USAID to expeditiously and properly document the close-out of the Program. Except as USAID may otherwise agree in writing, the Participating Agency must, not later than nine months following the Completion Date, submit to USAID requests for reimbursement or liquidation of outstanding advances under the Program. Funds which have not been disbursed and for which reimbursement requests, with supporting documentation, have not been received by USAID as of nine months following the Completion Date of the Program may be unilaterally deobligated by USAID.

4. The Participating Agency must ensure that all statutory or other restrictions on expenditures of the funds transferred by this agreement are fully complied with.

B. BILLING AND FINANCIAL REPORTS

1. The Participating Agency must bill USAID as provided in the Schedule. The amount billed will be determined by the Participating Agency and will be billed for an expenditure transfer into an account administered by the Participating Agency and for which the Participating Agency provides fiscal reports to OMB and/or the Department of Treasury. This amount will be expended based on the periodic financial reports, described below, detailing the implementation of the Program.

2. The financial reports submitted must, as provided in the Schedule, contain current period and cumulative amounts as follows:

| Budget Line Item | Budget Amount | Current Period Disbursements | Cumulative Disbursements | Remaining Budget Balance |
|------------------|---------------|------------------------------|--------------------------|--------------------------|
|------------------|---------------|------------------------------|--------------------------|--------------------------|

3. The Participating Agency must use the categories of obligations and expenditures set forth in Annex B of this Agreement. The Participating Agency must provide this information both in summary form for the entire Program and separately by Cooperating Country, if appropriate.

C. **ELIGIBLE COUNTRIES.** Except as USAID may otherwise agree in writing, funds provided under this Agreement will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

D. **PROCUREMENT.** The Participating Agency will administer the funds (including procurement and monitoring actions) in accordance with its own procedures, except as provided in this Agreement or as USAID may otherwise agree in writing.

E. **BOOKS AND RECORDS.** The Participating Agency must keep full and complete records and accounts with respect to the funds made available to it under this Agreement in accordance with generally accepted U.S. Government accounting principles. The Participating Agency must require that all contractors or grantees financed under this Agreement maintain books and records related to the Program 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). The Participating Agency must ensure that all such books and records of all contractors and grantees financed under this Agreement may be audited by the Participating Agency, USAID, or other authorized U.S. Government official for a period of three (3) years from the expiration of the contract or grant.

F. **IMPLEMENTATION AND MONITORING**

1. The Participating Agency is responsible for overall supervision of the Program.

2. If the Schedule of this Agreement specifies that the Participating Agency will prepare and submit periodic progress reports to USAID, the Participating Agency must submit each such report within 30 days after the end of the interval covered by the report. The report must identify any grants funded under this Agreement to non-U.S., nongovernmental organizations in the amount of \$300,000 or more per year. The Participating Agency must provide an audit schedule for all such grants. The schedule must conform with the requirements set forth in Section G of the Standard Provisions of this Agreement.

3. The Participating Agency must submit to USAID such other information as USAID may reasonably request regarding the implementation, impact, or success of the Program of the Program and the expenditure of funds under this Agreement.

4. The Participating Agency hereby agrees to provide USAID with copies of all evaluation or other reports generated by federal or outside sources.

G. AUDIT AND INSPECTION RIGHTS

1. Audit and inspection requirements as set forth in the Inspector General Act of 1978, as amended, (the "Act") 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 USAID must ensure full compliance with all applicable provisions of the Act in coordination with the Office of the Inspector General for the Participating Agency, or other appropriate office, which will provide all appropriate assistance or other support.

2. The Participating Agency must ensure that grants with non-U.S., nongovernmental organizations include an audit clause that requires that if a grantee receives \$300,000 or more per year in grant awards, the grantee agrees that it will have an independent financial audit of the funds provided under such grants. The financial audit of the funds disbursed to the grantee will 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 must be conducted for each fiscal year of the grantee. The audits must usually be performed annually, but not less frequently than every two years. The audits must be performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Non-U.S., nongovernmental organizations receiving less than \$300,000 per year are exempt from the financial audit requirements, but are subject to the requirement to make records available upon request for review by authorized U.S. Government officials.

3. The Participating Agency must ensure that contracts with non-U.S. contractors include the appropriate audit and examination of records clauses as specified in the Federal Acquisition Regulation.

4. The Participating Agency must ensure, by appropriate written arrangements with recipients of USAID-financed assistance under this Agreement, that such assistance will be subject to audit and inspection by authorized U.S. Government officials.

H. OTHER AGREEMENTS

1. In each Cooperating Country in which a framework economic assistance bilateral agreement governing privileges, immunities, and tax exemptions of USAID-financed personnel, entities, and commodities is not in effect, the Participating Agency, with the assistance of USAID and, if necessary, the United States Embassy in the Cooperating Country, will seek to obtain for its personnel, contractors, and grantees as well as for any commodities financed under this agreement, exemptions from taxes, duties, and fees that may be imposed by the Cooperating Country with respect to activities or transactions financed under this Agreement.

2. The Participating Agency must ensure, with the assistance of USAID, and if necessary, the United States Embassy in the Cooperating Country, through written arrangements which the Participating Agency and/or grantees or contractors financed under this Agreement must enter into with recipients of USAID-financed assistance that (1) such assistance must 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 agreed upon by the Participating Agency in consultation with USAID.

I. AMENDMENTS AND MODIFICATIONS

1. Written correspondence between USAID headquarters and PC headquarters may be used to record mutually agreed upon adjustments to Annex A (Program Description) or to Annex B (Financial Plan and Budget) without formal amendment of this Agreement. In addition, USAID, from time to time may exchange written correspondence to furnish additional information about matters addressed in this Agreement. This written correspondence must not be used, however, to modify the Completion Date, the Schedule, or Annex C (Standard Provisions) of this Agreement or to increase the total amount of USAID funds obligated under this Agreement (block 9C of the Face Sheet). Such changes must only be accomplished through formal amendment of this Agreement.

2. This Agreement may be amended, modified or canceled upon the mutual, written agreement of both parties.

J. **AUTHORIZED REPRESENTATIVES.** For all purposes relevant to this Agreement, the Participating Agency and USAID will be represented by the individuals identified in block 13A and block 13B, respectively, of the face sheet of this Agreement. Each party may, by written notice to the other party, designate Additional Representatives, who will serve as representatives for all purposes specified in such notice. The Participating Agency and USAID hereby designate as Additional Representatives the persons named in blocks 12A and 12B, respectively, who may exercise all powers under this Agreement other than amending, modifying or canceling this Agreement. A person holding or acting in the same office as an individual named in this Agreement must have the authority to exercise all powers of such individual under this Agreement, unless the party concerned advises the other party in writing to the contrary. USAID may accept as duly authorized any instrument signed by representatives of the Participating Agency until receipt of written notice of revocation of their authority.

K. **INTERNATIONAL TRAVEL.** Except as USAID may otherwise agree in writing, all travel financed under this Agreement is subject to the Federal Travel Regulation, and will be subject to United States Embassy or USAID Mission clearance in accordance with guidance issued from time to time by USAID.

L. INVESTMENT PROMOTION

1. No funds or other support provided under this agreement may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

2. No funds or other support provided under this agreement may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

3. No funds or other support provided under this agreement may be used in an activity that contributes to the violation of internationally recognized rights of workers in the cooperating country, including those in any designated zone or area in that country.

M. COMMERCE AND TRADE

1. No funds or other support provided under this agreement may be used for any testing or breeding feasibility study, variety improvement or introduction, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: provided that this shall not prohibit (a) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or (b) research activities intended primarily to benefit United States producers.

2. No funds or other support provided under this agreement may be used to

(a) Procure directly feasibility studies or pre-feasibility studies for, or project profiles of potential investment in, the manufacture, for export to the United States or to third country markets in direct competition with United States exports, of import-sensitive articles as defined by 19 U.S.C. 2463 (b) (1) (A) and (E)); or

(b) Assist directly in the establishment of facilities specifically designed for the manufacture, for export to the United States or to third-country markets in direct competition with United States exports, of import-sensitive articles as defined by 19 U.S.C. 2463 (b) (1) (A) and (E)).

N. COMMUNICATIONS PRODUCTS

Unless the Schedule of this Agreement specifically provides otherwise or USAID approves otherwise in writing, the following requirements apply to any printed material (other than non-color photocopy material), photographic services or video production services (“Communications Products”) prepared under this Agreement:

1. The Participating Agency must follow USAID-established standards for Communications Products financed by USAID. A copy of the USAID standards may be obtained from the USAID Authorized Representative on request.

2. The following Communications Products are eligible for USAID financing under this Agreement only if they are approved in writing by the USAID Bureau for Legislative and Public Affairs (LPA):

a. Any Communications Products costing over \$25,000, including the costs of both preparation and execution. (For example, in the case of a publication, the costs will include research, writing, and other editorial services (including any associated overhead), design, layout, and production costs.)

b. Any Communications Products that will be sent directly to, or are likely to be seen by, a Member of Congress or Congressional staffer.

c. Any Communications Products of which more than 50 percent of the copies will be distributed in the United States (excluding copies provided to USAID/PPC/CDIE and other USAID/Washington offices for internal use).

O. TRAINING OF COOPERATING COUNTRY PERSONNEL

Except as USAID may otherwise agree in writing, the planning and implementation of all training of personnel of cooperating countries financed under the Program must comply with USAID Automated Directives System Chapter 253.

P. NATIONAL SECURITY

1. In accordance with National Security Decision Directive 38 of June 2, 1982, all agencies with staffs operating under the authority of Chiefs of Mission will ensure that, in coordination with the Department of State, the Chiefs of Missions' approval is sought on any proposed changes in the size, composition, or mandate of such staff elements. Departments and agencies wishing to initiate changes should transmit their proposals to Chiefs of Missions in consultation with the Department of State.

Accordingly, the Participating Agency is responsible for complying with all requirements of National Security Decision Directive 38, as instructed by the Department of State and the chiefs of mission in each cooperating country.

2. The Participating Agency must ensure that all of its employees assigned or hired overseas and all of its personnel (both employees and contractors) traveling overseas on temporary duty have the requisite security clearance and otherwise comply with the requirements of 12 Foreign Affairs Manual (FAM) 443.

Q. USE OF GOODS AND SERVICES

Except as USAID may otherwise agree in writing, all good and services financed under this Agreement will be used for the purposes of the Program until the completion or termination of this Agreement, and thereafter will be used as USAID may direct in implementation letters.

R. MARKING

Unless USAID agrees otherwise,

1. All USAID-financed equipment and materials must be marked with the USAID red, white, and blue emblem, and their shipping containers must be marked with the emblem and the USAID financing document number.

2. All construction sites and other locations receiving USAID financing must display signs marked with the USAID red, white, and blue emblem and indicating participation by the United States of America. These signs should be erected at an early date in the construction or implementation phase and be replaced by permanent signs, plates or plaques, marked with the USAID red, white, and blue emblem, at the end of this phase.

Annex D
INITIAL ENVIRONMENTAL EXAMINATION
FACESHEET

Title of Program: Peace Corps: Small Project Assistance (SPA)
Enhance community's capabilities to conduct low-cost, grass roots, sustainable development activities

CS name/Country/Region: Peace Corps/Worldwide

Funding Period: FY2007 –FY2011

Resource Levels: \$ 972,000

IEE Prepared by: Name: Erika J. Clesceri, Ph.D. USAID//FFP

Date: 7/3/06 Title Environmental Specialist

IEE Amendment (Y/N)? N

Date & Contact Person for Previous IEE:

Name: Mike Bengé (formerly of USAID/G/ENV/ENR) **Date:** 4/7/99

Environmental Media and/or Human Health Potentially Impacted

(check all that apply):

air___ water X land X biodiversity (specify) X (reforestation) human health X other____
none_____

Environmental Action(s) Recommended (check all that apply):

X 1. *Categorical Exclusion(s)*

_____ 2. Initial Environmental Examination:

For a Single IEE:

_____ *Negative Determination:* no significant adverse effects expected regarding the proposed activities, which are well defined over life of the proposal.

- _____ *without conditions* (ideal conditions, no special mitigation measures needed, normal good practices and engineering will be used)
- _____ *with conditions* (non-ideal conditions, special mitigation measures specified to prevent unintended impact)

For an Umbrella IEE:

_____ *Negative Determination*: no significant adverse effects expected, but multiple sites and sub grant activities are involved that are not yet fully defined or designed. Refer to “Umbrella IEEs and Subgrant Environmental Screening” in the EPTM (March 2002), Annex G.

 X conditions agreed to among Umbrella partners regarding an appropriate process of environmental capacity building and screening, mitigation and monitoring.

_____ *Positive Determination*: IEE confirms potential for significant adverse effect of one or more activities. Appropriate environmental review needed/conducted.

_____ EA to be / being / has been (circle one) conducted. Note that the activities affected cannot go forward until the EA is approved.

_____ *Deferral*: one or more elements not yet sufficiently defined to perform environmental analysis; activities will not be implemented until amended IEE is approved.

Briefly describe the nature of the deferred activities below: *Not Applicable*

Summary of Findings:

The previous IEE for the Peace Corps: Small Project Assistance (SPA) was approved in April 1999. The IEE for the FY07-11 SPA programs is an umbrella IEE as multiple sites and sub grant activities are involved that are not yet fully defined or designed. The screening and review process is an official “condition” of the IEE, to be performed by the implementing partner. In some cases, the subsidiary screening and review results may benefit from approval of the USAID Mission.

Based on environmental review procedures, the following environmental determinations are recommended:

1. A **Categorical Exclusion** is recommended for all training activities under 22 CFR 216.2(c)(2)(i), for which no further screening and review shall be necessary.

2. A **Negative Determination with Conditions** is recommended under 22 CFR 216.3 (a)(2)(iii) for those community projects or community-based self-help initiatives that have a potential for an adverse impact to human health or natural resource base such as projects involving 1) water/sanitation; and 2)

agriculture such as agroforestry and community gardens, and 3) environment such as natural resource management. These projects are commonly-implemented according to the “Small Project Program Fiscal year 2005 Annual Activity Report”. One should not implement the specific activity of group of similar activities until the subsidiary screening and review process (as set out in the Environmental Screening Form, enclosed in the IEE) is complete.

This face sheet to the IEE summarizes the IEE determinations and provides mandated clearances. The IEE that accompanies this face sheet specifies a set of steps to ensure adequate environmental review of USAID-supported activities, including capacity-building elements. For additional copies, refer to the “IEE Database” at www.encapafrika.org.

USAID APPROVAL OF ENVIRONMENTAL ACTION(S) RECOMMENDED:

Clearance:

Deputy Assistant Administrator: _____ Date: _____

PVC Director: _____ Date: _____

Concurrence:

Bureau Environmental Officer: //cleared// Date: 7/3/06
Carl M. Gallegos, Ph.D.

Optional Clearances:

PVC Program Officer: //cleared// Date: 9/13/07
Amber Brooks

Geographic Bureau Environmental Officer (AFR): _____ Date: _____
Brian Hirsch

Geographic Bureau Environmental Officer (LAC): _____ Date: _____
Victor Bullen

Geographic Bureau Environmental Officer (ANE): _____ Date: _____
John Wilson

Geographic Bureau Environmental Officer (EE): _____ Date: _____
Mohammed Latif

General Counsel (): _____ Date: _____

INITIAL ENVIRONMENTAL EXAMINATION

Program/Project Data:

Program: Peace Corps: Small Project Assistance (SPA)
CS Name, Country/Region: Peace Corps/Worldwide

1. BACKGROUND AND ACTIVITY DESCRIPTION

1.1 Background

Capacity building for sustainable community development is the cornerstone of the development philosophy shared by USAID and the Peace Corps, and embodied in this SPA Program. Both agencies agree that sustainability depends on the participation of local people in all aspects of the development effort. Participation helps ensure that development initiatives are based on the aspirations and experience of local communities around the world. By approaching poverty issues “from the ground up,” and assuming leadership and taking ownership of the development process itself, local people themselves will provide the ideas, momentum and staying power necessary to better ensure the sustainability of their efforts.

The SPA Program contributes to USAID’s development objectives of fostering economic growth, protecting human health, providing emergency humanitarian assistance, and nurturing democracy and democratic practices in developing countries. Consequently, Peace Corps Volunteers work with host country and community counterparts to pursue sustainable development through a) stimulating economic growth and agricultural development; b) protecting the environment; c) improving human health (including child survival); d) promoting democracy and good governance; e) building human capacity; and f) assisting in humanitarian relief and the transition to development in post-crisis situations. The character of Peace Corps’ technical assistance under this Agreement is unique, and not otherwise obtainable from private source.

1.2 Description of Activities

Under the terms of the Statement of Work for the SPA Agreement, funding provided by USAID Field and/or Regional Missions and/or Regional Bureaus may be used to carry out Program activities in a variety of sector and initiative areas. The following list is illustrative:

- g) health and water sanitation activities;

- h) basic education activities, directed to literacy and numeracy, but also including non-formal education with out-of-school youth, women’s organizations, and disadvantaged groups;
- i) agricultural and economic growth activities;
- j) environmental activities;
- k) civic education and democracy-building activities; and
- l) cross-cutting priorities, including gender and youth development, and integrated activities, e.g. income-generation activities for People Living With AIDS (PLWAs), among others.

1.3 Purpose and Scope of IEE

This umbrella IEE accompanies the Agreement between the United States Peace Corps and the United States Agency for International Development (USAID) under which USAID will reimburse the Participating Agency to implement the Small Project Assistance (SPA) Program in selected Peace Corps posts. This SPA IEE addresses the most-likely activities that will be implemented during the five years of the program and presents a review of the reasonably foreseeable effects on the environment of the actions proposed under the project. Most Capacity Building activities are small and center mainly on training activities for which a **Categorical Exclusion** is proposed. A **Negative Determination with Conditions** is proposed for those community grant activities that may have an adverse impact of human health or natural resources, such as water and sanitation and/or agriculture.

2. COUNTRY AND ENVIRONMENTAL INFORMATION (BASELINE INFORMATION)

2.1 Locations Affected

It is anticipated that countries in each of the four USAID Regional Bureaus will participate in the Program. Most of the areas where a Peace Corps post and a USAID Mission are co-located are areas that are beset by chronic poverty and/or intermittent shocks, where illiteracy, malnutrition, centralized land tenure rights, and weak governance structures almost uniformly ensure a great potential for an unattended disease vector webs and an over-exploited natural resource base. Thus, it is crucial that these SPA activities both consider impacts to these fragile human and natural resources as well as provide mitigation measures.

3. EVALUATION OF ACTIVITY/PROGRAM ISSUES WITH RESPECT TO ENVIRONMENTAL IMPACT POTENTIAL

The illustrative activities proposed for this agreement fall under the following major categories: health

and water sanitation; basic education; agriculture; environment; civic education and democracy-building; and gender; youth, and People Living With AIDS (PLWAs).

It is noted that the physical and topographic conditions, climate, soils, and ecosystems as well as social and economic characteristics that could be encountered with these activities are quite variable. Because the specific characteristics and locations of these activities are not definitive, the potential for adverse environmental impacts cannot be excluded until additional information about project design and location becomes available. Therefore, each proposed activity will require environmental review as it is defined. This review will determine the specific nature and magnitude of potential impacts. The activities to be proposed share the common characteristic of being small in scale.

3.1 Health and Water Sanitation (Illustrative Sub-Activities):

3.1.2 Training of Community Health Workers in activities such as tuberculosis awareness raising, palliative care theory, school health and nutrition; are not expected to have a direct impact on the environment. However, one should consider indirect effects of nutrition training such as access to clean water and fuelwood for cooking.

3.1.3 Construction of household latrines present a potential to pollute ground water and act as a vector for other health and sanitation problems if proper mitigation measures are not taken. Refer to Chapter 16 “Water Supply and Sanitation” of the Environmental Guidelines for Small-Scale Activities for a more thorough general discussion of this sector, www.encapafrica.org.

3.1.4 Construction of Wells, Water Storage activities may cause depletion of fresh water resources, increased incidence of infectious water-borne diseases such as cholera, non-infectious disease such as arsenic poisoning, and water-enabled diseases such as malaria via creation of stagnant (standing) water, or degradation of terrestrial, aquatic, and coastal habitats, if not properly implemented. Refer to Chapter 16 “Water Supply and Sanitation” of the Environmental Guidelines for Small-Scale Activities for a more thorough general discussion of this sector, www.encapafrica.org.

3.1.5 Construction of Health Infrastructure may cause both direct and indirect potential adverse environmental impacts. An example of a direct impact is the filling of a wetland to use as a project site. An important direct effect is planning for how to properly dispose of medical wastes and used syringes. Indirect impacts are induced changes in the environment, population, and use of land and environmental resources such as to have a significant effect on public health—for example, the spread of HIV/AIDS and other communicable diseases is often associated with workers and construction camps. Standing water in quarries and borrow pits may become sources of contaminated water and disease-bearing insects. Refer to Chapter 3 “Small-Scale Construction” of the Environmental Guidelines for Small-Scale Activities for a more thorough general discussion of this sector, www.encapafrica.org.

3.2 Basic Education.

3.2.2 Basic education such as in literacy and numeracy focused on training, information dissemination, and monitoring, and as such, will not provoke adverse environmental impacts. **Basic education** activities for school children and **teacher training** are not expected to have negative environmental impacts, unless these activities involve any activities that effect the natural and physical environment, such as construction or latrine rehabilitation.

3.2.3 While the training itself is not expected to have an adverse environmental impact, the outcomes of the training may have a biophysical impact (e.g., market gardens) and should be suitably mitigated.

3.3 Agriculture. Small-scale agriculture (e.g., family gardens) by their very nature extract water and nutrients, and hence pose a risk to over-exploit the water and soil resources. **Agricultural and economic growth activities**; such as community, households, and school gardening gardens can cause soil erosion (well collapse), unsustainable water exploitation, over-extraction of soil fertility, or related effects such as unsustainable external supply of improved seeds and seedlings. Refer to Chapter 1 “Agriculture and Irrigation” of the Environmental Guidelines for Small-Scale Activities for a more thorough general discussion of this sector, www.encapafrica.org.

3.4 Environment. Environmental activities such as natural resource management are often an implicit component of sound small-scale agriculture and can have an unintended negative impact on the natural or physical environment. SPA programs tend to focus on such activities as soil/water conservation and fruit tree propagation or more generally reforestation. Reforestation projects can often take advantage of the lower opportunity costs of off-season labor and marginal lands. The most serious challenges for small-scale reforestation programs are (1) finding appropriate site/species matches, (2) ensuring that farmers perform required maintenance, and (3) protecting the saplings from grazing animals and fire. Refer to Chapter 7 “Forestry: Reforestation, Natural Resource Management, Agroforestry” of the Environmental Guidelines for Small-Scale Activities for a more thorough general discussion of this sector, www.encapafrica.org.

3.5 Democracy and Governance. Education and training programs would not have an adverse impact unless relies on provision of services to build governance structures. **Civic education and democracy-building** activities are not expected to have negative environmental impacts, unless provision of services such as road infrastructure are a component of a larger decentralization program.

3.6 Gender and Youth development. Education and training programs themselves do not pose an environmental impact. **Gender and youth development**, and integrated activities, e.g. income-generation activities for People Living With AIDS (PLWAs) are not expected to have negative environmental impacts, assuming that these activities do not have an indirect impact on the biophysical environment (i.e., charcoal production income-generation).

3.6.2 Community development activities such as vocational education, small business, are not expected to have a direct impact on the environment. Handicrafts activities- where natural

resources are scarce- could have an unsustainable pressure on timber and non-timber forest products.

3.6.3 Training of Community Health Workers in activities such as HIV/AIDS awareness/prevention and care/support are not expected to have a direct impact on the environment.

4. RECOMMENDED THRESHOLD DECISIONS AND MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

4.1 Recommended IEE Determination

All activities proposed fall under either a categorical exclusion or a negative determination with conditions.

4.1.2 Categorical Exclusions for the following illustrative training and awareness raising activities *Reg. 216.2 (c)(1-2)*:

- **Health and Water Sanitation**
 - Training of Community Health Workers *Reg. 216.2 (c)(1)(viii)*
- **Basic Education** *Reg. 216.2 (c)(2)(i)*
- **Democracy and Governance** *Reg. 216.2 (c)(2)(i)*
- **Gender and Youth development** *Reg. 216.2 (c)(2)(i)*

4.1.3 Negative Determination with conditions for the following illustrative activities *Reg. 216.3 (a)(2)(iii)*:

- **Health and Water Sanitation**
 - Construction of Household Latrines *Reg. 216.3 (a)(2)(iii)*
 - Construction of Wells, Water Storage *Reg. 216.3 (a)(2)(iii)*
 - Construction of Health Infrastructure *Reg. 216.3 (a)(2)(iii)*
- **Agriculture**
 - Community gardens, not including the procurement or use of pesticides *Reg. 216.2 (e)*.
- **Environment**
 - Soil Conservation Structures *Reg. 216.3 (a)(2)(iii)*
 - Reforestation/ Tree Nurseries *Reg. 216.3 (a)(2)(iii)*

4.2 Mitigation, Monitoring, and Evaluation

Peace Corps is responsible for regular monitoring of activities that affect the environment and will thus use various means of ensuring that proper procedures are implemented. An environmental monitoring, evaluation, and mitigation process will be established and used by the implementing partners in collaboration with USAID. USAID-supported activities shall incorporate appropriate mitigation and

monitoring procedures as listed below:

- Peace Corps is suggested to use the *Environmental Guidelines for Small-Scale Activities* or other appropriate references, to assist in determining what potential impacts should be of concern for different types of development activities in various settings. Using the information from this and other documents therein, Peace Corps will determine potential impacts and measures that must be taken to mitigate and monitor for the particular development activity.
- Peace Corps, with assistance of other appropriate partners, shall be responsible for implementation of agreed-on mitigation measures and monitoring of impacts.
- Peace Corps should mobilize the beneficiary communities, and a qualified in-house construction manager who knows and is committed to the national water and sanitation construction regulations will supervise the construction.

Mitigation Actions for Negative Determination with conditions illustrative activities (Reg. 216.3 (a)(2)(iii)):

4.2.1 Mitigation Measures: Health and Water Sanitation

Experience has shown that water and sanitation activities are most effective and sustainable when they adopt a participatory approach that (1) acts in response to genuine demand, (2) builds capacity for operation and maintenance and sharing of costs, (3) involves community members directly in all key decisions, (4) cultivates a sense of communal ownership of the project, and (5) uses appropriate technology that can be maintained at the village level. Also important are educational and participatory efforts to change behavioral practices.

- Regardless of the specific technologies adopted for latrine or water supply projects, however, it is necessary to conduct hygiene education, leading to changes in behavior, to reduce water- and sanitation-related diseases.
- In descending order of priority, the most important changes in hygiene behaviors are typically
 - Safe disposal of feces (especially those of young children);
 - Proper hand washing at appropriate times; and
 - Safe source selection, transport, storage and use of waste

The following items will highlight key mitigation strategies for those activities classified as a negative determination with conditions. For more information refer to Chapter 16 “Water Supply and Sanitation” of the Environmental Guidelines for Small-Scale Activities (www.encapafrica.org), two additional useful references to consult for good water and sanitation design and implementation principles are the documents, 1) “Guidelines for the Development of Small Scale Rural Water Supply and Sanitation Projects in Ethiopia,” by Catholic Relief Services and USAID, July 31, 2003; 2) “Urban Water Supply and Sanitation Programming Guide” that was produced by USAID Urban Programs office in 2001 (Contact: Sharon Murray, USAID/EGAT/ENV/ENR) and 3) Sphere Guidelines-- Humanitarian Charter and Minimum Standards in Disaster Response, www.sphereproject.org/content/view/86/57/lang,English/.

4.2.1.1 Construction of Household Latrines

- **Construction will be supervised** by qualified in-house construction manager and USAID Environmental Guidelines for Small-Scale Activities guidelines will be employed.
- **Host-country public health service** should be involved to ensure proper sanitation measures are taken as per the national water and sanitation regulations.
- **Latrines will be constructed** no less than 5 meters from the house and no less than 10 meters from water sources.
- **Training to avoid** water accumulation and disease vectors should accompany every project.
- Each sanitation system should consider the **grey water** management methods.
- **Latrines will be individual and constructed at household** levels, group latrines tend to not be as efficiently and sustainably managed.
- **Training in use and maintenance** of latrines should be developed for all families participants in these activities.

4.2.1.2 Construction of Wells, Water Storage

- **Calculate yield and extraction rates** in relation to other area water uses in order to avoid depleting the resource or damaging aquatic ecosystems or communities down stream/down gradient.
- **Assess water quality** to determine if water is safe to drink and to establish a baseline so that any future degradation can be detected. At a minimum arsenic and fecal coliform tests should be conducted. USAID requires testing for arsenic for all USAID-funded water supply projects, as there is currently no way to determine which locations may contain natural arsenic deposits. (For international water quality standards on virtually any parameter, see *WHO Guidelines for Drinking-Water Quality*, 3rd edition, (2006), http://www.who.int/water_sanitation_health/en/).
- **Minimize contamination of water**, e.g., establishing separate wells for animal and human use.

- **Maintain periodic testing.** Ongoing testing is the only way to determine if a water supply is or has become contaminated (other than by observing dramatic and sustained increases in water-borne disease). For simple and inexpensive fecal coliform measurements refer to <http://www.microbiologylabs.com/>.

4.2.1.3 Construction of Health Infrastructure

- **Carefully choose a site** that is not occupied or used by local residents; a habitat for important ecosystems, animals or plants; and/or an important scenic, archeological or cultural/historical features. Avoid sites that are steeply sloped, heavily wooded, prone to flooding
- **If leveling land**, design infrastructure so that it will create least impact, i.e., Minimize disturbance of native flora during construction, use erosion control measures such as hay bales, gabion., etc.
- **Consider indirect needs** of users of the infrastructure such as water supply, sanitation, roads, fencing.
- **If medical waste is generated**, include hand-washing facilities, waste storage rooms, incinerators (if rural), spaces for encapsulation, and a plastic/clay-lined pit for safe burial.
 - If waste will be buried on site, avoid wherever possible situating the burial pit up-gradient from a drinking water source such as a well.

4.2.2 Mitigation Measures: Agriculture

Agricultural activities that are designed and implemented according to sound environmental principles should produce economic benefits for farmers while maintaining long-term land fertility and stability. *To be economically sustainable in the long run, agriculture needs to be environmentally sustainable.* Unfortunately, for reasons already noted, short-term considerations often drive farmers’ decisions and choices. For a more thorough general discussion of this sector refer to 1) Chapter 1 “Agriculture and Irrigation” of the Environmental Guidelines for Small-Scale Activities, www.encapafrica.org and 2) “Growing Positively – A Handbook on Developing Low Input Gardens” www.jsieurope.org/docs/growing_positively_book.pdf.

- Use crop management techniques suited to local conditions such as: intercropping, bed layout, diversified crop selection, seed saving, seedling growth, transplanting.
- Soil conservation measures to improve soil fertility (e.g., leguminous crops, composting, mulching, fertilizer) and minimize soil loss through erosional processes.
- Water conservation measures such as timed watering, simple, low-cost gravity drip irrigation.
- Integrated pest management agronomic techniques should be used to mitigate insect, fungal, weed infestation (e.g., crop rotation, intercropping, bed solarization).

- Assess market demand for agricultural products, else a poor business plan can result in negative coping mechanisms such as over exploitation of natural resources (e.g., firewood, fisheries, bush meat, non-timber forest products).

4.2.3 **Mitigation Measures: Environment**

Using reforestation and plantation technology can be exceedingly complex and costly. It involves many steps, from seed collection and nursery production to plantation protection and maintenance. To make a project as sustainable as possible, planners need to consider these critical elements: (1) site/species match; (2) genetic selection of seed source; (3) site preparation; (4) timely planting; (5) weeding; and (6) protection from fire and grazing animals. Refer to Chapter 7 “Forestry: Reforestation, Natural Forest Management, Agroforestry” of the Environmental Guidelines for Small-Scale Activities for a more thorough general discussion of this sector, <http://www.encapafrika.org/EGSSAA/forestry.pdf>.

- Reforestation or tree nurseries plans should consider the effects they may have on the land-use mosaic of the area around the plantation, including impacts on natural forests, biodiversity conservation and alternative land uses
- Prefer native to exotic species.
- Don’t replace natural forests (even secondary forest).
- Avoid large blocks of monoculture; leave natural vegetation in special areas
- Stagger ages of different planted areas
- Make it easy to transport timber without eroding soil
- Use soil conservation measures when clearing land for planting
- Use integrated pest management; follow USAID guidelines if applying agrochemicals
- Assess market demand for agroforestry products, else a poor business plan can result in negative coping mechanisms such as over exploitation of natural resources (e.g., firewood, fisheries, bush meat, non-timber forest products).

ENVIRONMENTAL SCREENING FORM
Illustrative Activities

Table 1: Mitigation, Monitoring and Evaluation of Negative Determination with Conditions Activities

| Activity | Potential Environmental Impact and Causes | Mitigation Measures | 22 CFR 216 Determination | Suggested Indicators for Environmental Impact |
|---|--|---|--|--|
| Training , not implementation | Not applicable | Not applicable | Categorical Exclusion -- 216.2 (c)(2)(i) | Not applicable |
| Training: Nutrition | Over-exploitation of forestry resources for cooking. | Use low-cost and locally-available improved cookstoves | | %, locally- available energy efficient stoves used |
| Health and Water Sanitation: Construction or rehabilitation of household latrines | <ol style="list-style-type: none"> 1. Potential for contamination of ground-water 2. Soil erosion 3. Potential increase in disease-carrying insects 4. Waterway pollution 5. Waterway shifts 6. Shifts in ecological corridor 7. Environmental pollution from waste water 8. Water table pollution | <p>Construction will be supervised by qualified in-house construction manager and USAID Environmental Guidelines for Small-Scale Activities guidelines will be employed.</p> <p>Host-country public health service should be involved to ensure proper sanitation measures are taken as per the national water and sanitation regulations.</p> <p>Latrines will be implemented no less than 5 meters from the house and no less that 10 meters from water sources.</p> <p>Training to avoid water</p> | Negative Determination w/ Conditions- 216.3(a)(2)(iii) | <p>TA and Hygiene Service Specialist to monitor</p> <p>% Latrines maintained by community without direct implementer involvement</p> <p>Level of incidence of waterborne or related diseases</p> |

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|---|---|---|---|--|
| | | <p>accumulation and vectors should accompany every project.</p> <p>Each sanitation system should consider the grey water management methods.</p> <p>Latrines will be individual and constructed at household levels, group latrines tend to not be as efficiently and sustainably managed.</p> <p>Training in use and management of latrines should be developed for all families participants in these activities.</p> | | |
| <p>Health and Water Sanitation: Construction or rehabilitation of household wells, water storage, water delivery systems</p> | <ol style="list-style-type: none"> 1. Potential well over- extraction and contamination 2. Contamination of water post-extraction, during storage 3. Disease vector creation | <p>Size of infrastructure water containers will be small and Peace Corps guidelines will be followed.</p> <p>Calculate yield and extraction</p> <p>Assess water quality.</p> <p>Maintain periodic testing</p> <p>Minimize contamination of water, protection of the source and hygiene practices for stored water</p> | <p>Negative Determination w/ Conditions- - 216.3(a)(2)(iii)</p> | <p>TA and Hygiene Service Specialist to monitor</p> <p>% Water supply maintained by community without direct implementer involvement</p> <p>% of wells that function with out break-down</p> <p>Level of incidence of waterborne or related diseases</p> |
| <p>Small-Scale Sustainable</p> | <ol style="list-style-type: none"> 1. Well contamination (soil particulates from collapsed | <p>Family gardens will be established following best agronomic</p> | <p>Negative Determination</p> | <p>TA and Agricultural Service Specialist to monitor</p> |

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|---|--|---|--|--|
| <p>Agriculture</p> | <p>wells, 2. Water pollution (nutrients, 3. Soil erosion and pollution 4. Deforestation 5. Loss of habitat and biodiversity</p> | <p>techniques including soil conservation and integrated pest management (Refer to Growing Positively for</p> <p>Use crop management techniques suited to local conditions such as: intercropping, bed layout, diversified crop selection, seed saving, seedling growth, transplanting.</p> <p>Soil conservation measures such as improving soil fertility (Leguminous crops, composting, mulching, fertilizer).</p> <p>Water conservation measures such as times watering, simple, low-cost gravity drip irrigation,</p> | <p>w/ Conditions- - 216.3(a)(2)(iii)</p> | <p>% of producers using a minimum-number of vital sustainable agriculture technologies</p> <p>% increase in vegetative cover for more months of the year</p> <p>% of plots on sloped land with soil-water conservation measures (contour plowing, contour infiltration ditches, leveling and bunding, terracing, agroforestry, contour hedges, etc.)</p> |
| <p>Environment: Tree Planting or Reforestation</p> | <p>1. introduction of exotic species that will spread unabated in the absence of predators, preferentially forcing out other more beneficial species 2. planting of beneficial species in a manner that is unsustainable (i.e., planting fruit or product trees in an unprotected manner where they are subject to animal/fire destruction)</p> | <p>Reforestation/ Tree nurseries</p> <p>Reforestation plans should consider the effects they may have on the land-use mosaic of the area around the plantation, including impacts on natural forests, biodiversity conservation and alternative land uses</p> <p>Prefer native to exotic species.</p> <p>Don't replace natural forests (even secondary forest).</p> | <p>Negative Determination w/ Conditions- - 216.3(a)(2)(iii)</p> | <p>% of plantings that are exotic plantation species</p> <p>% of plantings that survive first year</p> |

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| | | <p>Avoid large blocks of monoculture; leave natural vegetation in special areas</p> <p>Stagger ages of different planted areas</p> <p>Make it easy to transport timber without eroding soil</p> <p>Use soil conservation measures when clearing land for planting</p> <p>Use integrated pest management; follow USAID guidelines if applying agrochemicals</p> | | |
|--|--|--|--|--|